



The realities have not changed



Safe collisions Simulators bring nightmares to life



Changing tack Greenspan sends a signal



Nafta fallout

Junior partners get together

FINANCIAL TIMES

Clinton prepares to decide on Vietnam embargo

Europe's Business Newspaper

President Bill Clinton said he would decide "within the next several days" whether to lift the 19-year-old US embargo on trade with Vietnam. Almost all Mr Clinton's advisers are urging him to resume trade links and the US Senate last week backed the president by voting heavily in favour of a resolution urging an end to the embargo. Page 14

UK plans Ulster Initiative: The British government will within the next two weeks bring forward fresh proposals for a new political settle-ment in Northern Ireland in a move calculated to wrest back the initiative from Sinn Fein. Page 14; Attempt to limit damage over Adams trip, Page 8; Long haul across Ulster's quagmire, Page 12

Viacom ahead in Paramount battle: Cable television group Viacom appeared to take a lead over rival QVC Network as their \$10bn takeover battle for film and publishing group Paramount Communications entered what may be its final phase. Page 15; Lex, Page 14

Euro Disney, stricken leisure group which runs the EuroDisneyland theme park near Paris, reported a net loss of FFr553m (\$94m) in the first quarter of the financial year against a deficit of FFr423m in the same period last year. Page 15;

UK market indices reach record highs All the UK market's

FT-SE 100 Index All-time high 3,475 3,425

leading stock indices reached record highs yesterday as a sudden burst of big buying interest in the FT-SE 100 future, plus a persistent report that a cut in UK interest rates may be imminent, caught marketmakers short of stock. The FT-SE 100 index ended the day up 38.8 at a

record closing high

of 3,520.3, having peaked at 3,520.4 minutes before the close of trading. Page 25; World stocks, Page 36

US trade talks hit resistance: A last-ditch effort by US trade representative Mickey Kantor to steer US trade talks with Japan towards agreement met stiff resistance from leading Japanese politicians. Page 6

West German output better than expected West German industrial output rose by a betterthan-expected 0.7 per cent in December, suggesting that the economy has seen the worst of the reces-

EU probes grant to Leuna: The European Commission opened an investigation into a DM497.3m (\$284.1m) state aid pack to east German-based petrochemical manufacturer Leuna by the Treuhand privatisation agency.

BNFL profits sharply down: British Nuclear Fuels reported annual profits of £76m (\$114m), down from £161m the previous year, because of delays in the commissioning of the Thorp repro-cessing plant at Sellafield, Cumbria. Page 8

Legal wrangle over shares: Holders of exchangeable preference shares issued by Rupert Murdoch's News Corporation fear they may incur a considerable financial loss because of a legal wrangle over the ownership of some shares in

line china manufacturer Royal Doulton. Page 15 Germany agrees to telecoms self-off: The German government gave the go-ahead for the privatisation of national telecommunications operator Deutsche Telekom, the postal services and the Postbank. Page 2; Lebanon to upgrade

phones, Page 6 Honeywell and Foxboro end dispute: Settlement of a bitter struggle for market share of advanced process control systems has been agreed between Honeywell of the US, which dominates the world market, and Foxboro, Massachusetts-based subsidiary of UK engineering group

Seoul seeks to cool row with North: South Korea should drop its confrontational approach to North Korea and give it time to resolve the issue of nuclear inspections, South Korean foreign minister Han Sung-joo said. Page 4

Manchester nominated for Gar Manchester in the north of England, twice rejected to host the Olympics, was chosen over London as the country's nomination to host the 2002 Commonwealth Games. Page 8

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Japan's pump-priming package to be financed by levy on consumption

THURSDAY FEBRUARY 3 1994

Hosokawa cuts income tax to fight recession

A triumphant Mr Moribiro Hosokawa, the Japanese prime minister, early this morning announced an income tax cut worth Y18,000bn (\$161bn) over the next three years in an attempt to lift the economy out of its worst recession since the second world war.

The government plans a Y6,000bn overall tax cut this year, including Y5,300bn of income tax reductions plus Y700bn of cuts in corporation tax. car sales tax surcharge and inheritance tax. All, except the car sales tax, will be backdated to January 1 - but financed by a rise in consumption tax.

The measures form the centrepiece of a package of tax cuts. government spending and lowcost loans, worth at least an estimated Y14,000bn, to be published later today.

It will be Japan's largest ever pump-priming package, coming after three earlier stimulus plans in the past 14 months, together

and stimulate the economy," said Mr Hosokawa.

The income tax cut will be partly financed by a 7 per cent "people's welfare tax" which will replace the current 3 per cent sales levy – the equivalent of the European Union's value added tax - from April 1 1997.

Last week's agreement between the government and the opposition over far-reaching plans for political reform cleared the way for the economic package, which had been held up by the reform However, the economic plan

now threatens to create further political instability by splitting the fragile seven-party coalition. Senior officials of the Social Democratic party, the coalition's largest but least dependable member, threatened early this morning to leave the government as a result of the sales tax rise.

The tax announcement is a victory for Japan's powerful finance ministry, which had insisted that an income tax cut must come with a rise in sales tax. This is



Japanese prime minster Morihiro Hesokawa (right) discusses his tax cutting proposals with Yohei Kono, president of the opposition Liberal Democratic party, before yesterday's announcement

from a drop in tax revenues caused by the recession. The government is also planning to raise liquor taxes for the first time in

0 years, officials said. The income tax cut is by far the largest in recent years, although it is line with what markets were expecting from the government's long-delayed plans. It will be welcomed by Japan's

anxious business community and is designed to deflect US pressure for numerically measured increases in market share for imports. Mr Mickey Kantor, the

ton's chief trade negotiator with Japan, in Tokyo yesterday completed an apparently fruitless day of negotiations for numerically targeted increases in imports.

They are hoping to pave the way for an agreement between Mr Hosokawa and US president Bill Clinton on the so-called trade framework talks when the pair meet in Washington this week.

The six SDP cabinet members will announce their plans later today, Mr Shigeru Ito, SDP trans-port minister, said. Mr Hosokawa admitted that members of his own Japan New party also had

VW has admitted that some of

Mr Lopez's team were involved in

material last March in the

group's Wolfsburg guest house.

Prosecutors, who have also inves-

tigated at least two further

instances in which material has

been destroyed, are examining

computerised data seized during

a raid on VW headquarters and

employees' homes last August.

shredding "possibly sensitive"

rise, but said he would make "maximum effort" to push the plans through parliamer

With the support of the opposi-tion Liberal Democratic party, which is co-operating with Mr Hosokawa on tax, he will be able to outvote coalition rebels.

The SDP campaigned in last July's general election on a promise not to increase sales tax, but marginalised themselves last month by voting against the government's plan to reform the electoral system and curb political corruption, so forcing Mr Hosokawa to strike a compromise

A court statement said it had

suddenly left and were almost

immediately installed in new jobs

at VW, but its decision was based

on the former GM employees' evi-

dence that they had all

approached Mr Lopez volun-

Opel officials said yesterday's judgment was a sideshow to the

main event. The company regret-

ted the decision, and would

examine the ruling before it

decided whether to appeal.

Renault moves to cut stake in Volvo

By John Ridding in Paris, Christopher Brown-Humes in Stockholm and Kevin Done

Renault, the French state-owned car group, has sold more than half of its shares in Volvo - its first move to reduce the complex system of cross-shareholdings between the two groups following the collapse of their planned

merger last December. The block of 3.2m Volvo B shares was understood to have been sold to a number of institutional investors at SKr655 a sbare, valuing the deal at close to SKr2.1bn (\$266.8m).

Renault said the decision to cut its stake in AB Volvo, the parent company of the Swedish car and commercial vehicle maker, from 8.27 per cent to 3.45 per cent was financially moti-

It said its voting rights had only been reduced from just under 10 per cent to 8.76 per cent. The sale had not affected its shareholdings of 45 per cent in Volvo's truck activities and 25 per cent in its car operations. However, the share disposal

follows the dismantling of several agreements between Renault and Volvo over the past few Renault and Volvo entered

into a far-reaching alliance in 1990, but plans for a full merger collapsed in December in the face of a shareholder revolt in

Renault said its shareholding in Volvo was not covered by the 1990 agreement, and since the collapse of the merger it had been treating the stake like any other investment.

The timing of the sale bad been determined by the strength of Volvo's share price, which had risen by around 70 per cent since ered since last summer were not not ignored the "unusual" cirthe merger plan collapsed. Renault has made an esti-

mated capital gain of around FFr750m (\$126.26m) from the share disposal.

Mr Sören Gyll, Volvo chief executive, said the sale of Renault's stake would not affect the continuing dialogue between the two companies over areas where it made commercial sense to con-

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Continued on Page 14 Editorial Comment, Page 13 Lex, Page 14

worth just over Y30,000bn. This needed partly to avoid straining a US trade representative, and Mr state budget already suffering W. Bowman Cutter, Washingreservations about the sales tax Court clears VW of poaching Opel staff

By Christopher Parkes

A Frankfurt civil court yesterday rejected claims that Volkswagen broke competition rules in poaching seven managers from General Motors group and trying to lure away a further 22 last spring.

greeted the judgment as a crucial victory in its long-running dispute with GM over the recruitment of Mr José Ignacio Lopez de Arriortúa, the US group's former global purchasing chief and his associates who fol-

lowed him to VW. Criminal investigations in Germany and the US relating to sus-

pected industrial espionage, theft, perjury and wire fraud are However, the court, dismissing

year, said in a written statement that it was a matter for debate hether allegations of the theft of GM secrets were justifiable.

Mr Jürgen Kicker, the lawyer representing Volkswagen, said the ruling exonerated Mr Lo pez and the German group from all suspicions against them. He said: "It confirms what we

have always said: that no one has stolen any trade secrets and no He said he did not think the

current criminal investigations would come to any other conclusion than that reached vesterday by "such a highly regarded court"

Mr Otto Ferdinand Wachs, VW group spokesman said: "It was a very clear victory. The state prosa call for the seven to be

dies at all."

suspended from their jobs for a now before bringing any Evidence and statements gathcharges."

But a spokesman for Mr Klaus examined by the Frankfurt civil cumstances in which all seven Liesen, chairman of VW's supervisory board, who is ultimately responsible for the board's conduct, stressed that the ruling resolved only the issue of anticompetitive staff poaching. Mr Liesen's comments once again reflected his continuing unesse about the scandal.

Unlike Mr Ferdinand Piech, VW chairman, Mr Liesen has consistently refused to give Mr Lôpez or his followers uncondi-

tional support. Officials at Adam Opel, GM's

German subsidiary, stresped that the evidence available to the information from GM's files.

Frankfurt court was more limited than that gathered by public prosecutors - it included only

German steelmakers set to refuse further capacity cuts

companies in Italy and Spain. Today's meeting with Mr

sioner, in Brussels.

ruary 15 with Mr Karel Van

Miert, the competition commis-

but we do not have any wild

expectations that we will get

one," a German economics minis-

The response seems likely to be blunt, "We will tell him that we

have done enough," one producer

said. "None of the unsubsidised

producers are prepared to make

more capacity cuts in flat prod-

try spokesman said last night.

"We are looking for a restruct-

By Quentin Peel In Bonn and Lional Barber in Brussels

Germany's private sector steelmakers will today tell Mr Gunter Rexrodt, the economics minister, that they are not prepared to make any further cuts in production capacity for flat products, in spite of the Euro-pean steel crisis.

The big unsubsidised German producers, including Thyssen, Krupp-Hoesch and Preussag, are annoyed about public sector subsidies being provided to other manufacturers, allowing them to maintain unwanted production

They are particularly angry about the rescue plan for the Klöckner-Werke steel plant in Bremen. The plan was formally signed on Tuesday and involves a consortium led by the government of the city-state. The European Commission is investigating the deal, which will maintain crude steel capacity of around 3m tonnes, for hidden public sector

"This is the legalisation of a catastrophe," one leading steel

producer said yesterday. "It ucts. That goes for Thyssen. Krupp-Hoesch and Preussag, as well as British Steel and Usinormeans that production capacity men and at Ekostahl [in east Ger-Sacilor in France." manyl, while private manufactur-ers have already made huge The European Commission's

warning on Tuesday that its steel capacity cuts without any subsirescue plan was on the brink of collapse appears to have been The private steelmakers are intended to put pressure on the also bitter about last December's private steelmakers to offer further cuts in production or face a free-for-all which would lead to deal negotiated by all 12 European Union member states. allowing substantial subsidised more bankruptcies. production capacity to be main-"There is a clear message (to tained by the state-owned steel

the private sector)," a spokesman for Mr Van Miert said yesterday. "if you don't do it now, you can Regrodt is ahead of talks on Feb-

"The real problem is struc-tural," he added. "It is overcapa-

Mr Martin Bangemann, German industry commissioner, was uring concept from the industry, reported as setting a deadline of March 31 for companies to produce fresh cuts or face a cut-off in support from the EU's social fund. But other Brussels officials said that this was an empty warning since social fund aid could only be disbursed if canacity cuts were verified by the

IF YOU THRIVE ON PRESEURE. TAKE A MOMENT TO RELAX. STEP INTO WATCHES OF SWITZERLAND AND OUR

SPECIALIST STAFF WILL GIVE YOU ALL THE TIME YOU NEED. ITME TO REALLY APPRECIATE OUR UNIQUE 2 YEAR GUARANTEE, FOR A COPY OF OUR GATALOGUE INCLUDING DETAILS OF YOUR NEAREST WATCHES OF SWITZERLAND SHOP, CALL 071-628 4810 GLARGOW-JERSEY-LEEDS-LONDON-MANCHESTER (EADOWHALL (SHEFFIELD) - NEWCASTLE - OXFORD

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World Trade Name

LONDON - PARIS - FRANKFURT - NEW YORK - TOKYO

By Christopher Parkes in Frankfurt

West German industrial output rose a provisional 0.7 per cent in December last year, support-ing the widespread view that the economy has seen the worst of the recession.

The improvement followed an unexpectedly sharp drop of 2.1 per cent in November, when cold weather severely hampered construction work. Milder conditions in December bolstered output from the building sector by 5 per cent. Although the figures were

better than expected, the Economics Ministry warned it expected a downward adjustavailable. The warmer weather depressed electricity and gas production by 2 per cent, but

The date for Germany's tion of 19 separate local, regional and national polls in Germany this year, will be October 16, the main political parties agreed yesterday, writes Quentin Peel.

increases. Output from manufacturing industry, excluding energy, mining and construction, rose 0.5 per cent.

For last year as a whole, output was 7 per cent down on 1992, but only 2.9 per cent lower in the fourth quarter than a year earlier. Economists said the figures supported their forecasts of 0.5 per cent growth in west Germany this year, but stressed they depended on incomes were falling, and gov-ernment spending was being cut, few saw any prospects of growth in domestic demand. This view was supported yes-terday by figures from the spe-cialist retail trade which showed a real 5 per cent decline in sales in December.

There were also warnings that strikes in the engineering industry could wreck economic growth prospects. Mr Rüdiger Pohl, one of the government's independent economic advisers, said if the current wave of warning strikes developed into protracted official stoppages, Bonn's hopes of 1.5 per cent growth in gross domestic product would be dashed.

While the IG Metall union had already rejected a pay freeze, Mr Pohl suggested real

Deutsche Telekom closer to sell-off

Ariane Genillard on the bill that provides for the privatisation of posts and telecommunications

he German government yesterday gave the go-ahead for the privatisation of Deutsche Telekom, the national telecoms operator. the postal services and the

A bill providing for privatisation of the three companies is due for a first reading today in the lower chamber of the parliament. It is not expected to meet resistance in the German egislature as all parties gave their basic approval to it on

Tuesday night.
This follows two years of negotiations between the coalition government and the opposition Social Democrats, whose support is needed to change the constitution which defines telecoms and the postal services as state-owned activities.

The bill is aimed at allowing all three companies to prepare for privatisation and intensirecently highlighted by the European Union's decision to liberalise basic voice telephony in 1998. "The law sets the prerequisites for Deutsche Telekom to position itself in the global telecoms market ... and strike alliances with foreign partners." Mr Wolfgang Bötsch, the German post and telecommunications minister, said yesterday after the cabinetapproved the final text.

The law, which is expected to come into force at the beginning of 1995, will turn the three into joint-stock companies. Deutsche Telekom is expected to sell on the stock market. starting in 1996, an initial tranche of shares representing 25 per cent of the company's equity and worth between DM10bn-DM15bn.

However, as a result of demands made by the SPD, a state-owned holding company will be created to keep some of the shares of the three companies temporarily.
In the case of Deutsche Tele-

kom, the holding company will retain a majority ownership in the five years after the bill becomes law, that is until 2000. The state is expected to remain the sole shareholder of the postal services as long as they continue to report losses. The

Romania

extremes

By Virginia Marsh in Bucharesi

Romania's ruling Party of

Social Democracy said yester-day it had agreed on a coali-tion with the hardline Roma-nian National Unity party to include other extreme nation-

alist and former communist

parties.
The left-wing PSDR, which

formed a minority government

after winning elections in Sep-

tember 1992, said it hoped to

conclude negotiations for the

new multi-party coalition by

Pro-reform opposition par

ties sald the move would have

a disastrous affect on Roman-

ia's image abroad and that

economic reform would remain at a standstill.

aimed to include the Socialist

Labour party, the self-pro-

claimed heir to the Romanian

Communist party, and the

Greater Romania party, an

openly anti-Semitic group, in

the new coalition in order to

reach a parliamentary major-

ity after a close-run no-confi-

ence vote in December.

The two parties said they

March 1.

goes to

The European Commission yesterday said it was reviewing a planned telecommunications consortium between Mannesmann, the main competitor to Deutsche Telekom in the German mobile phone market, RWE, the energybased conglomerate, and Deutsche Bank, Germany's largest bank. Reuter reports from

The joint venture, which initially plans to offer fixed-wire services to corporate clients. needs Brussels approval under merger control regulations. The Commission has about a mouth to approve it or open an in-depth inquiry if it believes the alliance could hart competition in any European Union market.

holding company will also retain 12.5 per cent of the Postcent of the bank held by the postal services. Mr Günter Schneider, Postbank's chief executive, recently said the bank would immediately seek equity partners, starting with savings and loans institutions with whom it already has

co-operation agreements.

Deutsche Telekom, which has conducted an intensive two-year campaign for its privatisation, has eased concerns that the holding company might have had too much power over its activities. Officials at Deutsche Telekom now say the holding company will not significantly hamper their managerial freedom - a point also atressed by government

Deutsche Telekom urgently needs to raise cash to reduce its DM(100bn (£38bn) debt and continue its DM60bn investment programme in eastern Germany. Under an agreement between the post and fluance ministries, the company will have to pay, by 1996, DM6.5bn to the postal services and Postbank, whose losses it is legally required to cover before privatisation. Officials at the post ministry say Deutsche Telekom will probably have to use a portion of its privatisation

By Lionel Barber in Brussels

The European Commission

yesterday opened an investiga-tion into a DM497.2m (\$384m)

state aid package granted to

Leuna, the east German-based petrochemical manufacturer.

by the Treuhand privatisation

The inquiry is a further blow

to plans to rebuild the Leuna refinery complex, based in

Sachsen-Anhait. Last week, Elf

Aquitaine, the oil group and

France's largest company, said

Leuna from 65 per cent to 35

per cent.

wanted to reduce its stake in

The Commission said yester-

day it was opening a prelimi-

nary inquiry on the grounds

that the aid package amounted

to subsidies for modernisation

and operating costs, and could

However, it agreed to allow

continued financing of Leuna

for six months in order to

Leuna is undergoing an ambi-

upset the market.

have to accept the creation of an "infrastructure committee" made of officials from the federal government and the states. This follows demands by the SPD for some continued state supervision. The party wants to ensure that the private companies will not neglect infrastructure investments in less-populated areas.

Mr Bötsch yesterday said the committee would only be able to suggest new infrastructure investments and not order them. Moreover, the federal government would be able to override decisions taken by the states in the committee.

The government has also had to reckon with the refusal of the SPD to accept a law which would put a deadline on the monopolies enjoyed by Deutsche Telekom and the postal services. As a compromise, the law prolonging the monopolies will end on December 31 1997. "We call on the legislators to tackle this question by then," Mr Bötsch said

The date coincides with the EU voice telephony liberalisation. However, the formula also allows German parliamentarians to keep the monopoly of Deutsche Telekom on its ephone infrastructure and of the postal services after 1997, depending on whether liberal-isation has been decided at the European level.

Mr Bötsch said again yester day that this concerned only the monopoly of the postal services over regular letter mail. Talks are to be conducted in the coming weeks between the postal services, the government and mail-order companies who want mass mailings

Officials at the German industry federation, the BDI, said yesterday that the final bill was satisfactory, especially in light of the difficult negotiations between the government parties and the SPD.

The package continues to be rejected by the Post trade union which lears for the jobs of its members and had hoped to persuade the SPD to refuse to agree to privatisation.

tious restructuring plan which has seen its workforce drop

from more than 25,000 workers

The German authorities

argued that the state aid package was vital for the future of an interlinked east German chemical industry, including a

feedstock supplier and ethyl-

ene cracker for Leuna's down-

But the Commission noted

that no such plan had been

presented to Brussels. It has

invited all interested parties to

ments before taking a final

Meanwhile, it sanctioned a

Elf's plans to reduce its stake

have drawn threats of penal-

ties for breach of contract from

The remaining stake is held

by Thyssen Handelsunion, which, along with Elf, agreed to invest DM4.8bn to safeguard

the Treuhand.

DM30m guarantee for clean-up

present more detailed argu-

to 7.800 over 12 months.

Brussels probes

Treuhand aid to

eastern refinery

Moscow less in love with west

But foreign policy has no truck with extreme nationalism, reports Leyla Boulton

hose in the west who have been watching Mr Vladimir Zhirinovsky, Russia's ultra-nationalist, tour the former Yugoslavia and talk of secret weapons to protect Serbs, may well be asking whether his remarks in any way reflect Russian foreign

The unequivocal answer is that they do not. Mr Zhirinovsky is seen as a dangerous lunatic by most of Russia's political establishment and his talk of a secret weapon, denied by the Defence Ministry in Moscow when he last referred Moscow which he has rejected to it a month ago, is not new.
Only on Thesday, Mr Andrei Kozyrev, the foreign minister, relierated that his Yugoslav policy was basically unchanged and joked that Mr Zhirinovsky's one skill was to create an atmosphere of hys-

teria and suspicton". Mr Zhirinovsky's remarks, however, do coincide with a change of tone from Moscow, which more seasoned Russia watchers had been expecting for some time as an overdus adjustment of policies which had become so unequivocally pro-western they were no lon-ger sustainable politically. Nowhere has that change of

tone been clearer than from Mr Kozyrev, long singled out as enemy No.1 by Russian nationalists who dominate the new partiament elected in December. Although most ordinary Russians do not share the strident nationalism of many of their MPs, they display the nat-ural sensitivities of citizens of a great nation humiliated by



Russian altra-nationalist Viadimir Zhirinovsky (left) greeting Vojislav Seselj of the Serb Radical party in Belgrade yesterday

Zhirinovsky's 'ray' of despair

Mr Vladimir Zhirinovsky, the Bussian ultra-nationalist, yesterday said his threat that a secret "death ray" would be used to defend the Serbs, in the event of western military intervention against Bosnian Serbs, was not a joke, writes Laura Silber in Belgrade. In talks with Serb leaders, including Mr Slobodan Milosevic, he gave no details about the alleged wespon, but said he would be testing it overnight in Brcko, north-east Bosnia.

the collapse both of their economy and of the Soviet Union. Despite western alarm over a non-binding parliamentary

sta's willingness to continue supporting what are viewed as increasingly incredible threats

is not the best test for judging consistency on foreign policy. if anything, long-standing Russian scepticism about the value of air strikes or other military intervention appears increasingly justified with the passing of every month these threats are not carried out.

Most Russians do not even care about what happens in former Yugoslavia - its conflicts are not brought into people's living rooms every night by the sort of media coverage of Bosnia which is common in

But they could be made to feel upset if east European states, or those of the Baltics, joined the North Atlantic Treaty Organisation and Russia was left to its own devices. Last week Mr Kozyrev used a visit to China to announce that he was fed up with lectures from the west. The week before, he had expressed anger at US and Baltic protests over mments he had made to say that Russia could not tolerate western military might filling

"security vacuum" left open by retreating Russian forces. With some justification, he said his remarks had been quoted out of context to alarm the west into thinking Russia would not withdraw its remaining troops from Estonia and Latvia.

His deputy, Mr Vitaly Chur-kin, subsequently warned ia and Latvia against trying to stir up western pressure expedite a Russian troop to withdrawal. He said Russian forces were on their way out, but that Russia was also enti-

tled to agreements securing the future of retired service-men still living in the Baltics, and allowing Russia to continue manning early warning systems in Estonia. In a sign of just how jumpy the west has become and how quickly it could change its mind about Russia, Mr Kozyrev's remarks were enough to alarm Scandinavian politicians, who are closest to the Raltics, into considering sharp protests over a perceived change in policy. That was avoided only thanks to the deft work of Scandinavian diplomats in Moscow.

The main priority for both the west and Russia, say diplomats, is to avoid any declarations and gestures that might fuel a fire that is being maintained at a minimum level for domestic Russian purposes

As one western diplomat pointed out: "Russia's ideal foreign policy now would be not to have one at all."

In practice, Russia's priorities are increasingly focused sis, and relations with former Soviet republics making up its so-called "near abroad". Their implications for foreign policy are long-term.

If not brought under control Russia's economic crisis could bring an ultra-nationalist similar to Mr Zhirinovsky - but probably not him because of fears for his stability - to power. Such a figure would undoubtedly turn against the west and neighbouring states to distract public opinion from painful economic problems.

Chubais sounds inflation warning

By Layla Boulton in Moscow

Mr Anatoly Chubais, the only surviving radical reformer in the Russian government, said yesterday that the first-quarter budget would show whether Mr Victor Chernomyrdin, the prime minister, really intended to change the country's reform course.

Unless the government managed, by adopting a tough fiscal and monetary policy, to reduce inflation to 5-6 per cent a mouth by the end of the year, rather than the 15-18 per cent men-tioned by Mr Chernomyrdin at the ould have failed.

Mr Serget Dubinin, acting finance minister, vowed yesterday to stick to a tough fiscal and financial policy and to keep the budget deficit to 5-8 per cent of gross domestic product. Like the inflation figure, this target was agreed with the International Monetary Fund

by the previous government.

Mr Chubais, who has stayed in office to complete his massive voucher priva-tisation programme, also ridiculed a programme drawn up by veteran promarket economists proposing price and

cher scheme. "It's a long time since I've read academic work which is so far removed from reality," he said. The report, commissioned to help the prime minister in his search for non-monetary methods to fight inflation, has apparently displeased President Boris Yelisin, who has remained silent over Mr Chernomyrdin's policy "correc-tions" but is expected to address parliament on economic policy on Febru-

ary 18. Meanwhile, Russian negotiators yesterday began a new round of talks with

wage controls and abolition of the Belarus on the proposed currency union which has been the other main source of friction between conservatives and the radicals who have mostly left the government. After an outcry from the radicals who said an original plan to swap the Russian rouble for the Belarussian currency at one-for-one would hurt Russian economic interests, the exchange rate in subsequent drafts was adjusted to a more realistic rate of one-for-three.

Outstanding disagreements include Belarus' desire for subsidised energy



Turkish prime minister Tansu Ciller (left) and prime minister Benazir Bhutto of Pakistan being escorted across the tarmac at Sarajevo airport yesterday. They travelled to the war-torn Bosnian capital to show their support for the Moslem-led government BHUTTO AND CILLER MAKE PEACE PLEA IN SARAJEVO

By Laura Silber in Belgrade

In an attempt to draw attention to the plight of Sarajevo, Mrs Tansu Ciller, the Turkish prime minister, and Mrs Benazir Bhutto, her Pakistani counterpart, yesterday visited the besieged Bosnian capital.

In a joint statement, they said: "It is shocking that this appalling human tragedy is being enacted in the heart of a civilians". Mrs Bhutto denounced the vio-continent which prides itself on its com-mitment to human rights and respect for claimed to represent, as well as of the human dignity."

Amid heavy security, the prime ministers, dressed in bullet-proof vests and military helmets, called on "the world cou-munity to halt the destruction of Serbia and Croatia, which officially deny Bosnia-Hercegovina and the killing of any role in Bosnia's violent partition.

United Nations charter which prohibits the violent change of borders. Their visit coincides with continued reports of

Poll alliance formed but tough deal on candidates lies ahead

Italian left clears first hurdle

By Robert Graham in Rome

Selecting candidates to contest Italy's general election next month is the main issue outstanding following agreement between eight left-wing groupings in forming a Progressive

The agreement, reached late on Tuesday, lays down the broad principles of an electoral As such it has become the first

formal alliance for the elections on March 27. However, it will be severely tested as the members of the group, dominated by the former communist Party of the Democratic Left (PDS), attempt to hammer out a deal on candidates.

Under the country's new electoral laws, 75 per cent of the seats in both houses of paropinion polls. liament will be elected using a first-past-the-post system. Pro-

retained for the rest. The majority voting system has put a premium on forming alli-ances, but these will come to nothing if there is no prior agreement on supporting indiridual candidates.

The Progressive Alliance is discussing a formula whereby each party or group will be allocated a quota of candidates entitled to the support of the alliance as a whole. These would be based on the performance of the party or group in the 1992 general elections, last

portional representation is

year's municipal elections and

However, the principle of quotas cannot be reconciled easily with the need to find the best local candidates. The alliance also has to resolve how its members will vote for the seals awarded by proportional representation.

Apart from the PDS, Tuesday's agreement was signed by the Greens, Reconstructed Communism (the rump of the Italian Communist party who refused to renounce Marxist ideals), the Sicily-based clean government movement La Rete (The Network), the revamped Socialist party under Mr Ottaviano Del Turco, the Democratic Alliance that includes

members of the reformist referendum movement, the Christian Socialists and a small left independent grouping.

The document agreed is a five-page summary of policy guidelines for a future government which are deliberately vague but promise to retain the broad lines of the outgoing government's economic policy. The privatisation programme will continue "where neces-

 Italy's inflation in January was running at 4.2 per cent on an annualised basis, a mar-ginal rise on the December rate and against the declining trend projected by the government for 1994.

Budget deficit soars in Turkey

Turkey's budget deficit last year was more than double the original target figure, according to official statistics, John Murray Brown reports from

It reached TL129,400bn (24.9bn), against a target of TL53,000bn, equivalent to 9 per cent of gross national product. The public sector borrowing requirement is estimated to have been close to 17 per cent of GNP, compared with a 9 per

Ukraine vote

Ukraine's parliament is due to vote on the trilateral nuclear agreement today, writes Jill Barshay from Klev.MPs have been called back to Kiev in the midst of election campaigning to discuss the pact under which Ukraine would relinquish its arsenal of more than. 1,600 nuclear warheads.

Close finish

The latest poll for Sunday's shows defence minister Elisabeth Rehn on 50.5 per cent and opposition Social Democratic party candidate Martti Ahtisaari on 49.5 per cent.

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US housing surge as recovery grows

By Michael Prowse in Washington

The US housing market experienced near-boom conditions at the end of last year as the pace of US economic recovery gathered momentum, figures indicated yesterday.

The Commerce Department also reported a strong rise in the composite index of leading indicators in December, which points to further robust growth

New home sales rose 11.4 per cent between November and December to a seasonally adjusted annual rate of 862,000. the highest rate since March 1986. Sales were 30 per cent higher than in the same period

Most analysts were surprised by the strength of the housing market, which appeared to

Dominican

Republic

take advantage of the lowest mortgage rates in two decades. However, the figures are vola-tile on a monthly basis and could be heavily revised.

There were big differences in regional markets. The stronst sales gains occurred in the Midwest and the south. Sales fell on the west coast.

Abnormally cold weather and the Los Angeles earthquake last month may have caused a national setback for the housing market.

The index of leading indicators - designed to provide advance warning of economic conditions six to nine months head - rose by 0.7 per cent in December, its fifth consecutive monthly gain. The index rose 0.5 per cent in October and

The most important were increases in consumer confidence and commodity prices. and a fall in claims for unemployment insurance.

Analysts are now keenly awaiting payroll employment figures due out tomorrow. These will provide the first comprehensive guide to economic conditions in January. Most economists expect a solid gain of about 200,000 non-farm

The Labour Department is also revising the way it calculates the unemployment rate. The new series is expected to result in jobless rates about 0.5 percentage points above previ-ously published figures. This suggests the January jobless rate could be 6,5-7 per cent on

Dávila admits 'error' in Chile's debt accord By Bernard Simon in Toronto and Stephen Fidler in London futures scandal

Holders of the Dominican Republic's international bank debt will begin signing a debt restructuring agreement on February 14 in Toronto which will cut the country's bank debt in half. The pact, the first with the Dominican Republic since 1986, will cover about \$1.1bn of debt. The bank group, chaired by Bank of Nova Scotia, includes Citibank, Chase Manhattan, Chemical Bank

and Royal Bank of Canada. The signature of all creditors is necessary before the agreement can be considered by the country's Congress.

Thirty-five per cent of the debt will be submitted for cash - at 25 cents for every dollar face value - and the rest exchanged for 30-year bonds at a discount of 35 per cent to the debt's face value. The discount bonds, paying interest at 2 of a point over Libor, will carry collateral guaranteeing repayment of principal and 12 months of interest.

By David Pilling in Santiago

The man at the centre of the Chilean Codelco futures scan-dal, Mr Juan Pablo Dávila, has broken his silence, telling journalists he committed an error but not a criminal

Mr Dávila, former chief futures operator of Codelco, Chile's state copper company, is alleged to have lost the company \$200m in a four-month period from September 1993. "I don't believe that I have committed any crime," said Mr Dávila. "I made a mistake and I will assume all responsibility

for that mistake Mr Dávila, who faces possible criminal charges, repeated his account that a computer inputting error set in train the cycle of events that led to unprecedented losses on the copper, gold and silver futures

now insistent that Mr Dávila acted alone and without their knowledge, showed signs of breaking ranks.

Mr Fernando Molina, who represents President Patricio Aylwin on Codelco's board, said: "It is difficult to believe that one person could mount such an enormous operation - for \$180m and 1m tonnes of copper - without anybody else finding out about it. He would have to be a

The 20,000-strong Federation Copper Workers reiterated its attack on Codelco's manage ment, rejecting suggestions that it had sent its support to Codelco president, Mr Alejandro Noemi.

However, the federation sharply criticised statements which had been made by some politicians that the futures flasco was further evidence of the need to privatise the state

Tobacco company sues city for ban on **smoking**

Philip Morris, the tobacco group, has filed suit against the city of San Francisco to overturn a tough anti-smoking ordinance that went into effect

The action is the first such legal challenge by the tobacco industry to local smoking restrictions, which are becom-ing widespread in California. In San Francisco, smoking is now banned in almost all workplaces, Restaurants will ecome "smoke free" at the beginning of next year and at least 35 per cent of hotel rooms must now be "nonsmoking". Smoking is also prohibited in outdoor sports arenas, including Candlestick Park, home of the 49ers football team.

San Francisco's anti-smoking rules are being matched in towns and cities throughout the state. "California is approaching smoking with a prohibitionistic fervour unlike any other state in the nation," said Mr Tom Lauria of the Tobacco Institute. Close to 100 communities now ban smoking entirely in restaurants,

workplaces or both. San Francisco bar and hotel owners who fear that restrictions may damage their busi-nesses have joined Philip Morris in challenging the city's anti-smoking rules. Their lawsuit charges the city has overstepped its powers by enacting regulations that pre-empt state workplace safety laws.

"If every local government took it upon itself to issue varying workplace regula-tions," said Mr Jeffrey Tanenbaum, a San Francisco attor-ney representing the plaintiffs, "it would be impossible to do business in this nation."

Mr Steve Parrish, senior vice-president and general counsel for Philip Morris, said it "believes the common sense solution to this issue is to provide separate sections for

Caldera opts for middle road

Joseph Mann on economic plans of Venezuela's new president

r Rafael Caldera, a r Rafael Caldera, a 78-year-old specialist in labour law, began his accord term as president of Venezuela yesterday by underlining his rejection of both neo-liberal economic policies and their populist alternative. Mr Caldera, who arrives in office with Venezuela facing a

combination of deep economic, social and political problems. rejected the need for a "war economy" or a series of "dra-matic economic adjustments". Instead, he said there would be

a "dialogue for solidarity". In a speech generally light on specific policy proposals, he said his government would send a package of bills to Con-gress calling for repeal (at least at the retail level) of a value added tax imposed last year, new levies, including a selective tax up to the wholesale level and a luxury tax; and reforms of existing income tax laws. It will also try to reduce at about 70 per cent of poten tial revenue.

Mr Caldera said he would raise the minimum wage (now at the equivalent of \$83 per month), and denied that his government was planning a large devaluation of the bolivar or the imposition of exchange

controls. Other priority initiatives included reforms of the consti-tution, stiff penalties for those guilty of causing bank failures, particularly stockholders and managers, new efforts to assist agriculture, improvements in public services and ald for slum dwellers. He outlined seven priority areas for the есопоту:

 A commitment to control inflation (which reached 46 per cent last year) over the short to medium-term;

· A policy of austerity in public spending to achieve fiscal equilibrium without affecting the social area, to which I attri-bute priority, he said. There would be cuts in spending by the president's office and better co-ordination between fiscal and monetary authorities; An opening of the economy and promotion of competition within a framework of (international) reciprocity;

• An economic stability pro-

gramme that took into consid-



Supporters of the new president celebrate in Caracas after his election victory last December

lan family rather than macroeconomic indicators;
• Efforts to control waste and

inefficiency in the public and private sectors: Continued privatisations. but ones in which workers would play a more important

· A new tax policy under which "those who earn more

strained by low prices for the country's main export, oil, and a financial system weakened by the recent failure of the country's second largest bank. Yet Mr Caldera won the chief

executive's job last December with only 30 per cent of the

drugs related, remains a prime

concern. His ability to deal with these issues is con-

He called for a 'dialogue for solidarity' in a country beset with deep economic, social and political problems

will pay more" Mr Caldera takes over with the economy in recession, per-sistently high inflation, a large fiscal deficit, and an estimated 43 per cent of the nation's 21m people live in "extreme pov-

He has taken over a huge inefficient government bureaucracy, whose militant employees are expected to seek more money and which provides among the poorest health and education services in Latin America. The country's military has been in turmoil ever since rebellious officers led two unsuccessful coups attempts in

1992. Violent crime, often

popular vote in elections where abstention reached a record 40 per cent.

He is viewed as Venezuela's last caudillo, a man who appeals to many as a strong and charismatic leader. This quality of leadership, combined with his experience, will be necessary if the president is to gain the support he will need from a congress divided into four blocks.

The two main parties that supported him in the presidential campaign, National Convergence and the socialist party MAS, together lack a majority in either the upper or lower house. He must therefore

majority with the help of the Democratic Action party or crats - both of which are offi-

cially in the opposition. This attempt will be complicated by Mr Caldera's break with Copei, which he helped found in the 1940s, last year during his sixth campaign for the presidency. Causa R. a mllitant leftist party that holds an important share of congressional seats, has given signs that it will be a critical opposition force and seems an unlikely

ally for the new president.

During his presidential campaign, Mr Caldera focused on the injustice of unpopular free market reforms that began to be implemented in 1989, and said he would change them. Recently, however, members of the new government have signalled to businessmen that the new government will be in favour of private investment and will not return to heavy government intervention in

In spite of this, investors and businessmen remain worried about the presidents traditional commitment to labour and his self-confessed inexperi ence in economic affairs.

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to cool row with North

By John Burton in Secur

South Korea should drop a confrontational approach in dealing with North Korea and give Pyongyang time to resolve the issue of nuclear inspections, the South Korean foreign

minister sald yesterday. Mr Han Sung-joo's comments reflect growing concern in Seoul that diplomatic efforts to persuade North Korea to accept international nuclear inspections are in danger of being derailed.

The US has warned that if North Korea will not allow the International Atomic Energy Agency (IAEA) to inspect all its declared nuclear facilities by February 21, the UN Security Council might consider economic sanctions, a step that North Korea has said is tantamount to war.

North Korea on Monday also threatened to withdraw from the Nuclear Non-Proliferation Treaty (NPT) and protested against the proposed US deployment of Patriot missiles

to South Korea. Over the last week South Korean officials have sought to calm the war of words between Washington and Pyongyang.

Prime Minister Lee Hoe-chang insisted that recent developments did not signify growing tensions on the Korean peninsula or an increased threat from the North.

Although the Seoul government says it is co-operating closely with the US on the nuclear issue, Mr Han appeared to criticise the US deadline for acceptance of

IAEA inspections.
"Even if North Korea earned time by the use of delaying tactics fin its negotiations with the IAEA), such time would not be of any help to North Korea's nuclear development programme," he said.

This reflects the view of most South Korean officials that the North is using the nuclear inspection issue to win concessions from the US, such economic aid.

But there is a growing feeling in Washington that North Korea is intent on developing a nuclear weapon, if it has not already done so, and that it is playing for time to complete its

nuclear programme. The issue could arouse antiThe South Korean government yesterday introduced its third set of measures within three weeks to cool the Seoul bourse, writes John Burton. The general share index closed at 974, continuing a rapid climb towards its peak of 1,007, set on April 1 1989.

The latest measures will require institutional investors to buy Won1,000bn (£823m) worth of monetary stabilisa-tion bonds in an attempt to divert funds from the liquidity-driven stock market. They have also reduced the ceiling on the amount of money indi-vidual investors can borrow from securities houses for stock investment.

American feelings in South Korea, where the media are criticising "American hardliners" for trying to raise tension on the peninsula and thereby prompt Seoul to buy

The IAEA is expected to state at its next board of governors meeting on February 21 that the continuity of nuclear safeguards in North Korea has been broken. This would set the stage for the Security Council to consider the issue. North Korea has blocked full

IAEA inspections since it threatened to withdraw from the NPT last March, although it suspended its decision after holding high-level negotiations with the US. Pyongyang agreed a month ago to allow a resumption of IAEA inspections to guarantee the continuity of safeguards. But it has since disagreed with the UN agency on the extent of the inspections, claiming it does not have to accept the com-plete inspections demanded by the agency as its NPT member

ship is still under suspension. Some analysts believe the North is delaying full inspec-tions until the US formally announces the suspension of military exercises in South Korea this year and agrees to old and high-level talks on improved relations. But the US refuses to suspend the annual "Team Spirit" exercise and resume discussions with the North until Pyongyang accepts full inspections and renews talks with South Korea on denu-

Seoul moves | Pakistani banks taken for a \$500m ride

By Farhan Bokheri in Islamabad

Pakistani banks have clocked up a \$500m (£333m) taxi bill, after the import of 50,000 cars created a financial nightmare.

These days, passengers leaving a main airport or train station can choose from scores of brand-new yellow cabs ranging from a small Suzuki to a Mercedes Benz. The yellow cabs - which replaced battered old makes, including many Morris Minors - are now at the centre of a political controversy.

As parliament began debating the

issue this week, 13,000 more vehicles remained stranded at Kara-chi's seaport and at dealer outlets.

Unemployed youths who wanted to become taxi drivers were allowed to buy their vehicles on 10 per cent down-payment while paying back the rest in easy instalments. Banks were ordered to approve requests

for loans on receipt of the deposit.

But in the first year of the plan, according to bankers, after cab owners had been given PRs15bn (£338m), up to 60 per cent of them began defaulting, and banks refused to sanction any new loans. The supreme court has ruled the government should resolve the issue of the stranded vehicles, but the government has no easy way out. At the outset of the scheme two

years ago, Mr Nawaz Sharif, then

prime minister, considered the yel-low cabs the most important symbol of his economic reforms

"The prime minister feels that just as bright new cars have replaced older ones, new and fresh policies of deregulation and privati-sation will eventually replace older ones of bureaucratic management," senior official said at the time.

But because the scheme involved reducing import duties on the taxis, it worsened already strained finances, leaving the new govern-ment an even larger budget deficit. "If I get another opportunity, I shall import half a million vehicles to help the poor," said a deflant Mr Sharif as he led an opposition attack in perliament alleging the government's decision to abandon the scheme was burting the underprivileged and unemployed.

The yellow cabs gave a sense of pride to their owners, because they now had their own cars. For the first time in this country, we really helped the poor."
Mr Makhdoom Shahabuddin, min-

ister of state for finance, retorted: "When there is an inherent tendency in such a scheme for it to be hijacked by people who don't deserve it, then it's a problem." Mercedes, imported on loans for heing used as taxis, were in fact in

many dealers took payments from gations of sales under fictitious names to make the cars untraceable are also being investigated. The stranded cars could be sold in

the open market free of much of the usual import duty, under one pro-posal being considered. But even so, Pakistan's financial sector may still be looking for

stronger measures to support recov-ery of bank loans. "The cab issue shows that giving out loans is much easier than getting them back. This should be a lesson for us to tighten our belts if we want to prosper,'

'Jericho

may take

By Julian Ozanne in Jerusalen.

It could still take "weeks" to

reach agreement with the Palestinian Liberation Organisa-

tion on implementing self-rule in the Gaza Strip and West

Bank area of Jericho, Mr Yit-zhak Rabin, Israeli prime min-ister, said yesterday. His comments came after

several other Israeli ministers involved in the peace process sought to cool hopes that a

final agreement could be ini-tialled between Mr Shimon

Peres, foreign minister, and Mr Yassir Arafat, PLO chair-

man, in Cairo next Monday. Mr Rabin's pessimism fol-

accord

weeks'

African National Congress seeks to avert boycott of April's election

S African right may win poll changes

The African National Congress, in a last-minute bid to avert a violent right-wing boycott of April's all-race elections, appears ready to make important concessions to the right-wing Freedom Alliance when constitutional talks resume later today.
The ANC's policy-making

body, the national executive committee, met until late on Tuesday night trying to find a formula for constitutional changes which would entice the Freedom Alliance to participate in the poll. The NEC is understood to

have decided on a package of measures which include changes to the voting system to include separate national and regional ballots, rather than one ballot to elect repre-



A prospective voter reads an ANC election poster outlining the history of National party rule

sentatives to both national and regional assemblies. This is an important concession to the Inkatha Freedom party, which would have been prejudiced by the one-ballot syste

However, it is unclear whether other elements of the package - especially provi-sions for the autonomy of

regional governments - will meet Inkatha's demands. ANC officials said the organisation had improved its offer in this area, and that further changes could be made.

The Tuesday meeting appears to mark a significant shift in the position of the ANC, which has so far failed to

demonstrate the political will to accommodate Inkatha. It is uncertain whether this will carry the two sides over the main hurdle which separates them - the gulf between the strong central state which the ANC wants and the federal system which inkatha demands.

central state could not be com-promised, adding that talks could drag on for a further 10 days until the expiry of the last legal deadline for political parties to register for elections. This deadline was set last night when President F.W. de Klerk proclaimed the date of

lows excitement raised at the weekend when Mr Peres and Mr Arafat drafted understandings on the main outstanding Israeli officiais say Mr Rabin has taken a more cautious atti-tude than his foreign minister and is concerned about the

concessions Mr Peres offered the PLO on control of border Mr Rabin is determined the final agreement will be com-prehensive and include all the new Israeli-Palestinian economic arrangements and

force and Israeli security. "People are not aware of the complexity and I don't want to start to implement before

the division of anthority

weeks. Islamic gunmen wounded three Israelis near the West Bank town of Hebron. In the Gaza Strip, the bodies of five Palestintans killed by Arab gunmen as suspected collaborators with Israel were left on the streets. Meanwhile, the Israeli rightwing opposition to the peace process continued to splinter as three parliamentarians from the ultra-right wing Tso-

met party said they had quit and formed a new faction. The three accused the Tsomet leader Mr Rafael Eitan of authoritarianism. Mr Nissim Zvilli, secretary-general of Mr Rabin's Labour party, invited them to join the fragile coali-

ANC's mines policy 'potentially harmful'

in Johannesburg

industry yesterday criticised mining policy proposals put forward last month by the African National Congress. Mr Nick Segal, economics spokesman for the chamber, said that although it would be

wrong to suggest the ANC's

draft mining policy was

elements "potentially highly ing employer and foreign-exchange earner. Mr Segal said the chamber was concerned at the level of

proposed state intervention in the sector and the implication that mining companies were not taking advantage of lucrative commercial opportunities

eral rights they owned. He was 20-strong delegation from J.P. tants to improve the presenta-imaware of any company Morgan and Morgan Stanley, tion of its economic policies. potentially profitable mineral

Meanwhile, the ANC is trying to bolster local and international investor sentiment damaged by fears of nationalisation and state intervention in minerals marketing. Mr Paul Jourdan, co-ordinator of ANC minnationalisation of mining comnanies or mineral rights was not under consideration. The organisation has

redrafted its mining policy statement, emphasising the importance of wide consultation with the industry, and is understood to be considering

important to say what you don't mean as what you do mean. Our aim is to present South Africa Inc to attract foreign investment to the country," Mr Jourdan said. The Chamber of Mines and the ANC have set up a framework for further negotiations.

overall agreement is reached and signed." Mr Rabin said. Yesterday, in the first seri-ous Palestinian attack for

Mobutu dismisses bank chief

President Mobutu Sese Seko of Zaire has sacked the governor of the country's central bank following the failure of monetary reform launched last year according to Zaire television, Renter reports from Kinshasa. The central African country, crippled by a political stand-off between Mr Mobutu and his opponents, launched a disas-

October, converting 3m old zaires for one new one. against hard currency was set at three to a dollar, but by late January the parallel market rate had plunged to 130 to a

trous currency reform last

Some regions toyal to the president's main political adversary, Mr Etienne Tshisenew currency. The World Bank, the last big

source of foreign aid for Zaire, is closing its office in the bankrupt country, which faces expulsion from the Interna- Troops in Zaire have executed thousands of people for opposing Mr Mobutu's 29-year

dictatorship. Amnesty International claimed vesterday. The human rights group said there were fears the country suffering ethnic conflicts in the north-east and south-east would break up if the rule of

Four fight for **OECD** post

Germany put forward Mr Lorenz Schomerus, a senior Bonn economics ministry official, as a candidate for the post of secretary-general of the Organisation for Economic Co-operation and Development writes Peter Norman, Econom

ics Editor. Other candidates for the OECD post are Lord Lawson, the former UK chancellor, Mr Donald Johnston, a former Canadian economics minister, and Mr Jean-Claude Paye, the

UN reassessing role in Somalia

The UN Security Council is considering a radical contraction of its peacekeeping operation in Somalia (Unosom), after the departure of US forces in March, and a diminished role for the UN in brokering a political settlement among Somalia's fractious clans.

Mr Robert Oakley, the US special envoy to Somalia, said a draft resolution before the Security Council envisaged a role for UN troops stationed in Somalia restricted to monitoring voluntary disarmament. It was a tacit admission that the UN's coercive strategies had

"The UN is correcting its course, and adopting a more

short-term view." says Mr

Michael Greene, property analyst at Warburg Securities.

with Somalia's problems," he said yesterday in Nairobi. "The period of coercive disarmament

is over." In addition, a donors' conference held in the Kenyan capital agreed to work directly with Somalis in the reconstruction of their country - effec-tively sidelining the UN. Politically, too, Unosom has been told to avoid the flurry of contacts now taking place between Somalia's clans in various capitals of east Africa.

"Discussions between Somalis are like three-dimensional chess," Mr Somalis Oakley said. "They may be difficult for outsiders to understand, but it is my impression that a lot of work is being being narrowed."

Gen Mohamed Farah Aideed and Mr Ali Mahdi, Mogadishu's two rival warlords, have yet to meet for face-to-face talks, but spokesmen for both sides say prospects for a political settlement are good. Aid workers, however, feer Somalia will slide back into

anarchy when the 4,000-strong US force departs, preceded by the Belgians and closely followed by the French, Italian and German contingents. Many believe the peacekeep-ing operation will fall apart without the air defences, communications and logistics pro-

vided by the Americans. Violence has returned, Bomb

ombian aid worker. The charity said yesterday it was tem-porarily withdrawing its five expatriate workers. Food warelouses have been looted in Belet Weyne and aid workers have received death threats in the southern Jubba Valley, forcing their evacuation. In Mogadishu, US troops killed three Somalis on Monday when a diplomatic convoy

and seriously wounded a Col

they were escorting came under fire. Admiral Jonathan Howe, in charge of the UN operation in Somalia, regretted the violent incidents, but insisted that most of the coun-

try was peaceful.

Japan prepares to enter space race over the past week hit the Christian charity World Vision

Japan plans to launch its first General Dynamics of the US. home-grown rocket today - an important step in its long-frustrated attempts to create a world-class aerospace industry, writes William Dawkins in Tokyo. The National Space Development Agency's H-2 two-tonne load, the world standard for the satellite industry. The H-2 is two years behind schedule, after two explosions on the launch pad, in which an engineer died. At Y19hn (£113.8m) a launch it costs at least 50 per cent more than launches by Arianespace, the European space consortium, or

The Ministry of International Trade and Industry sees the project as vital to developing aerospace expertise and reducing Japan's heavy dependence on US aerospace technology. Government officials stress the H-2 project has no covert military purpose and Japan will stick to its principles of not making, owning or allow-ing the import of nuclear weapons. They were responding to British and US speculation that North Korea's nuclear weapons programme might tempt Japan to abandon its own non-nuclear stance.



cuted. This included two hotels tinued upward pressure on on the Kowloon peninsula, at HK\$2bn apiece, and a luxury office and housing rents. According to figures compiled by Brooke Hillier Parker, a housing development on Hong Kong island for HK\$2.2bn. property consultant, Hong The trend looks like continu-Kong has the highest rents for ing. On Tuesday, Wing On retail space - at an average of International, a retailer and HK\$545 a sq ft - in the world financial services group. and is second only to Tokyo in

started February off with the rents for office and industrial sale of two of its centrally-lo-Already big companies, such as Shell, the oil group, Apple, the computer company, and cated office towers to a private developer for HK\$2.2bn. It is all further evidence - if it were needed - that investors American Telephone and Telebelieve Hong Kong has a graph have moved out of Hong Kong's central business dissecure future after 1997. "One simply can't pay the prices trict to Causeway Bay, beyond being paid now if one had a the old red-light district of

Wan Chai to the east. Office rentals rose on average 19 per cent last year and, Many of the properties that with fresh supply of new market - a house on Victoria Peak sold for HK\$120m last month - but is also true of the market for family flats. According to figures com-piled by Morgan Stanley, the US securities house, transac-

tions in the market for typical properties of between 600 sq ft and 800 sq ft rose to about 15,000 a month in 1991-98 from 5,000 a month between 1985 and 1990. Prices for flats rose to more than \$HK2,500 a sq ft by the end of last year from \$BK1,250 in 1990. Mr Peter Churchouse, head of research at Morgan Stanley

in Hong Kong, says property

prices are supported by steeply

negative real interest rates, an

artificial market in land where

10.5 10.0 34.0 37.0 Shanghai

supply of new land allowed on to the market, and a powerful banking sector which through credit policy can influence

prices and rents. The colony's monetary authorities have kept Hong Kong's interest rates pegged to those of the US as part of the policy of linking the currency to the US dollar. Given Hong Kong's average inflation rate over the past year of about 10 per cent this has produced negative real interest rates of around 5 per cent-a strong spur to speculation.

Investors have a US dollar hedge and they are not paying for Hong Kong's inflation by holding a depreciating cur-rency, Mr Churchouse says. On credit policy, the Hong-kong and Shanghai Bank and its affiliate Hang Seng Bank

recently said they would limit

mortgages for huxury flats to 50 per cent of the asking price.

Analysts say this may place a cap on luxury flat prices but rents will continue to rise because of the shortage.

Mr Churchouse points out that conditions today are dif-ferent from those in 1980/81, when Hong Kong had its last big crash in property prices. At the time interest rales were at 17 per cent, the world was in recession and prime office rentals had risen by 90 per cent a

Australia payments deficit up

Australia's run of good economic news was reversed yesterday with the publication of December balance of payments figures showing a seasonally-adjusted current account deficit of A\$1.765bu (£830m), above market expectations, which had ranged around the A\$1.3bn mark, writes Nikki Tait in Sydney. It also represented a sharp deterioration from the revised

November deficit figure of A\$1.194bm. The news, which initially sent the Australian dollar plunging, came less than 24 hours after Mr Ralph Willis, federal treasurer, released some sharply upgraded forecasts, saying economic pros-pects were "the best for 30 years". But by the end of the day, the currency and bond markets had recouped most of

their losses. On Tuesday, Mr Willis revised the current account deficit estimate for 1993/4 downwards from A\$18bn to A\$17bn. Some economists fear faster growth in Australia will bring balance of payments problems next year.

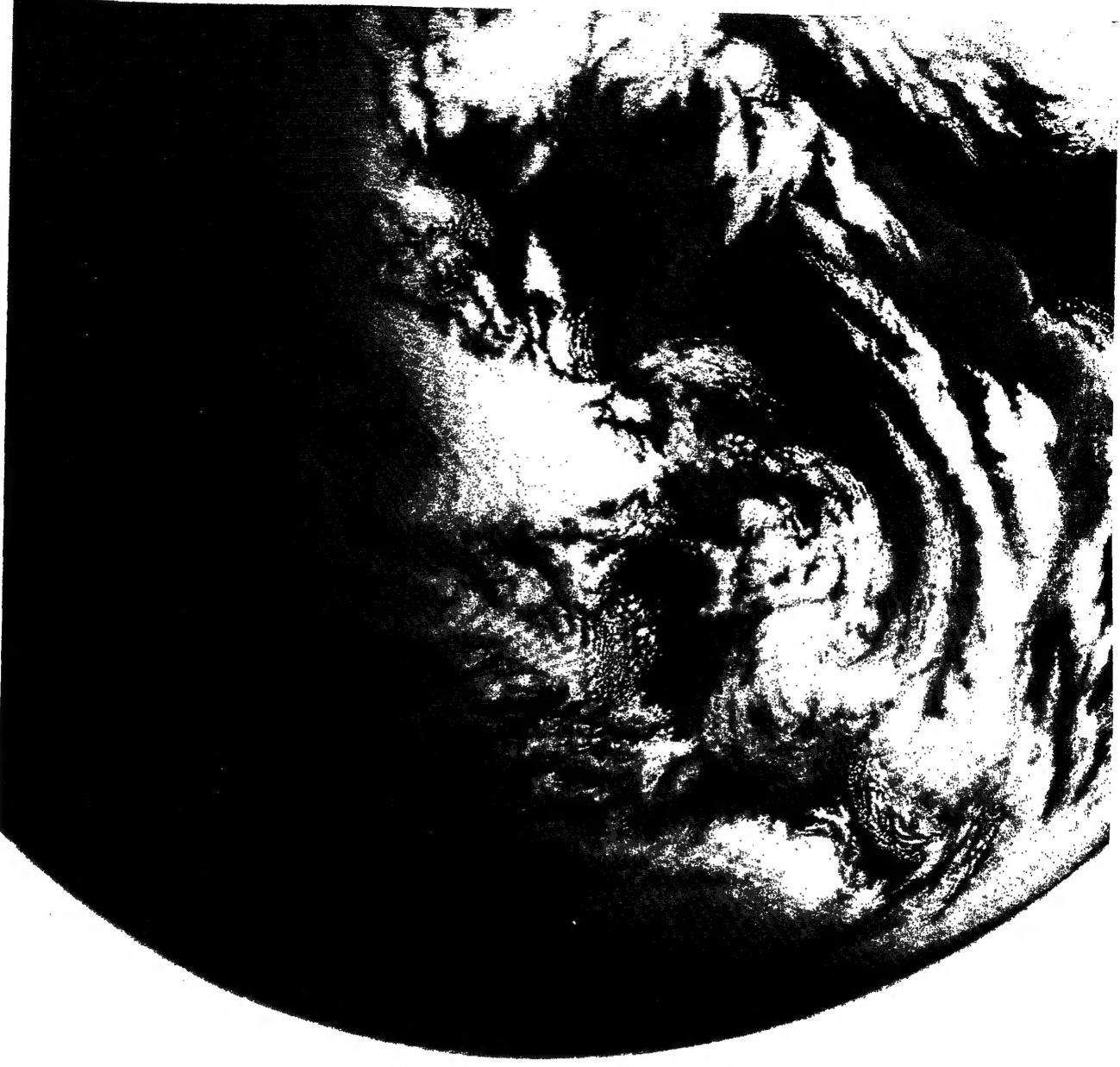
The December data showed the belance of trade moved from a surplus of A\$169m in November to a deficit of A\$505m last mouth, on a seasonally-adjusted basis. Merchandise exports fell by 7 per cent, while imports rose by 6

.Jericho accord iiily tak

Australia

All Milling Fig.

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Japanese resist US trade talks pressure

By Michiyo Nakamoto in Tokyo

A last-ditch effort by the US to steer its trade talks with Japan towards agreement appeared to from leading Japanese politi-

Meetings between Mr Mickey Kantor, US trade representative, and Mr Tsutomu Hata Japan's foreign minister, and later with Mr Hiroshi Kumagai, trade minister, failed to make a breakthrough. The bilateral trade and economic framework talks are deadlocked because of opposing views on how to increase

Mr W. Bowman Cutter, deputy presidential assistant for economic policy, on a special mission to try to push the talks forward ahead of a US-Japan summit due next wes

The meetings, which both lasted for nearly two hours, were described as "tough" by Japanese officials. The discussion with Mr Hata focused on the entire framework agreement, and a great part of that with Mr Kumagai was taken up with one of the most contentious issues - trade in

motor vehicles and parts. Although Mr Kantor did not use the word "sanctions". according to Japanese media reports, he suggested that fail-

would affect relations badly. The Japanese are understood to have stood firmly behind the official position that the use of numerical targets to boost imports, which the US has been insisting on, would lead to managed trade and was

therefore unacceptable.

Nevertheless, it was also reported that Mr Kumagai hastily arranged meetings with the heads of Toyota and Nissan, suggesting that as on many occasions in the past, the trade ministry could be orchestrating some kind of "volun-tary" effort by the Japanese car industry in order to appease the US.



Ryanair to lease and buy 737s

By Tim Coone in Dublin

Ryanair, the independent Irish airline, is planning to open new routes out of Ireland to the UK and increase capacity on existing routes through the replacement of its fleet of eight BAC-111 aircraft with advanced Boeing 737s in a lease-purchase deal with Boeing worth \$40m (£26.6m).

Ryanair expects to have six refurbished 737-200s in service by the end of April, increasing capacity on existing routes by 30 per cent. At the end of the six-year leasing period owner-ship of the aircraft will pass to acquired according to market

fruit and vegetable farms each summer. She cites a Quebec-

based company which has

frustration with Canadian non-

governmental groups, which have complained loudly about

Mexican human rights policies

in the wake of the recent peasant uprising in Chiapas. Cana-dian aboriginal groups were quick to take up the cause of

Canadian officials, for their

part, express doubts about the

ability of the Mexican legal

and administrative structure to

adapt to the disciplines of a

comprehensive trade agree-

ment with two of the world's

A guide to business in

Mexico, published by Royal

Bank and the department of

foreign affairs, recently cau-tioned that "people like to name drop, and can promise

you the world while they are

leading you down the garden

most developed countries.

the Mexican rebels.

Lebanon agrees £250m deal to upgrade phones

contract to Alcatel, Siemens and Ericsson, the French, German and Swedish telecommunications companies, to rehabilitate and expand the country's shattered telephone network, Mark Nicholson writes from Cairo

The contract is the biggest so far awarded towards the recon struction of Lebanon's infrastructure since the end of the civil war, which left much of the telephone system barely operable. Fewer than half the country's 500,000 lines work, and businesses and private users have been forced to resort to cellular phones

many using US networks.

Lebanon's present telephone system is an increasing hindrance to the economy, with many "difficult numbers" from one part of town to another often proving impossible to dial, while interna-tional direct-dial lines are scarce even from the main hotels.

Ares-Serono in site transfer

AresSerono, the fourth largest Swiss pharmaceuticals company, is to transfer the manufacture of diagnostic products from its Swiss base at Coinsins in the canton of Vaud, to sites in Rome, Italy, and Allentown, Pennsylvania, US, Daniel Green reports

The closure of the Swiss plant is the latest stage in the restructuring of the European healthcare industry as it struggles to reduce costs in the face of government healthcare spending cuts. The company said the move was a cost-cutting measure and that it was part of a stronger emphasis on drug development at the expense of diagnostic technology. It plans to launch six new drugs over the next few years.

invested in a Mexican cucumber-processing plant. The relationship is not in the first nine months of last year, diagnostics products accounted for \$67.3m (£44.8m) out of total sales of \$548.3m. The entirely smooth, however. Ms Fuentes makes no secret of her remainder was accounted for by drugs. The transfer of manufacturing abroad would take around 18 months

French employers back WTO

France's Patronat employers' federation said yesterday it would watch closely to see if the Uruguay Round agreement for a new World Trade Organisation fulfilled the "great hopes" for this body, David Buchan writes from Paris.

France championed the WTO in the Uruguay Round negotiations as a means of reining in the US tendency to retaliate unilaterally against what Washington deemed unfair trade practices. Mr Francois de Laage de Meux, head of the Patrona's international committee, said he did not expect the US to abandon entirely the unitateral provisions of Section 301 in its trade laws. This, he said, would not matter, provided - once the WTO came into force - the US only used its 301 weapon against non-Gatt countries in non-Gatt trade areas.

Resurgence in Finnish exports

Finnish exports to Russia, which crashed following the collapse of the Soviet Union, doubled last year as a surge in transit trade helped what officials in Helsinki hope will be the gradual rehabilitation of a trade relationship that was previously a mainstay of

Finland's economy, Hugh Carnegy reports from Helsinki . Figures published showed a 100 per cent increase in exports to Russia to FM6.04bn (£700m) in 1993. Exports to Estonia were also up almost 110 per cent to FM1.9bn, helping to push up the share of Finnish exports bought by former Soviet territories to 6.2 per

Canada goes in search of its Nafta cousins

Bernard Simon on a flurry of getting-to-know-you exercises with trade deal partner Mexico

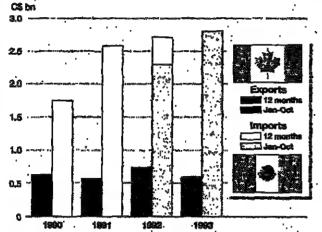
with tradition last month. The newest house in its officers' compound in Mexico City is not the usual locally-made, cement-block structure, but is built around a wood-and-polystyrene frame

imported from Canada Nascor, a Calgary-based homebuilder whose biggest harebolder is MacMillan Bloe del, the big west coast forestry group, hopes the prototype model built for the navy marks the start of a stream of orders from Mexico. Wooden houses, the Canadian company claims, are not only quicker to put up than cement ones, but also more resistant to earthquakes

and hurricanes. Nascor is one of dozens of Canadian companies drawn to Mexico by a flurry of getting to-know-you activity which accompanied the talks leading up to the North American free trade agreement, implemented

The three Nafta partners, the US, Canada and Mexico, are often likened to a sandwich, with two thin slices separated by a giant filling. The US is ooth Canada's and Mexico's biggest trading and investment

Canada's trade with Mexico



partners have in the past had little in common. Two-way shipments between Canada and Mexico totalled only C\$3.6bn (£1.8bn) in 1992, less than 2 per cent of US-Canada

The tangible impact of Nafta - such as the gradual elimination of customs tariffs and relaxed investment rules - has

eralisation has been enough for Canadians and Mexicans to forge a multitude of new links. SHL Systemhouse, an Ottawa-based computer systems company which already has everal contracts in Mexico, last month became the first

Canadian company to hold a board meeting in Mexico City. Among the mushrooming areas of official co-operation,

the bureau of competition policy in Ottawa to improve their skills in reviewing mergers and takeovers. At least five Canadian ministers will be in Mexico City later this month for the annual cabinet-level review of bilateral relations.

Evidence abounds of a spurt in trade and investment flows. According to Statistics Canada, Mexico's exports to Canada grew by 23 per cent in the first ten months of last year to C\$2.86bn. The biggest increases were in shipments of motor vehicles (Mexico's biggest single export to Canada) and fur-

Mexican investment in Canada remains minuscule. One of the few examples is Targa, a Mexico City construction group, which joined a group of Quebec entrepreneurs a year ago to rescue Artopex, a Montreal-based office-furniture maker whose products Targa distributes in Latin America. The partners have subsequently sold Artopez, but have kept the land on which its factory is located. They are also examining at least three con-struction joint ventures in Mexico and El Salvador.

Investment flows have been

years ago bought a small stake in Inverlat, one of Mexico's largest financial service

Mr Paul Friser-Frederiksen, who is in charge of Royal Bank of Canada's Mexican business, identifies 10 key areas of oppor-tunity for Canadian business: agri-business, transport, petroleum, telecommunications, environmental services, mining equipment and services, industrial machinery, consumer products, financial services, and computer systems. Canadian businessmen sug-

est that simply not being American often gives them an edge against US competitors. In particular, Canadians are more accustomed to working in a second language, which may explain why a high proportion of trade and investment deals between the two countries involve Quebec companies. Opébecois also make up more than half the Canadian tourists to Mexico.

Ms Sandra Fuentes, Mexico's energetic ambassador in Ottawa, says she is trying to encourage Canadian companies to participate in ventures in Mexico which can employ

path. There are people who deliver on their promises, but always check, double check

Present

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FINANCIAL TIMES

By Kevin Brown and Ivor Owen

The British government yesterday launched a concerted attempt to paper over deep cracks in the Anglo-American relationship after the visit to New York by Mr Gerry

At the same time, officials were desperately trying to limit the damage to British interests caused by Mr Adams's almost unchallenged 48-hour access to the US media.

However, the government was unable to conceal its dismay at Presivisa for Mr Adams, the leader of Sinn Fein, the IRA's political wing.

Publicly, Downing Street put a brave face on the affair. A senior official said the UK-US relationship was "alive and well and extremely vigor-

In private, ministers and senior officials were bitterly disappointed at Mr Clinton's decision to overrule his most senior advisers. One senior minister said the president seemed to have put UK-US relations and the future of the Northern Ireland peace initiative at risk to placate the Irish

The government was also upset by the largely sympathetic coverage given to Mr Adams by the US media, and the lack of interest in balancing comments from Mr Douglas Hurd, foreign secretary.

A Downing Street official said Mr Hurd was "pushed off the networks by programmers who decided that Gerry Adams is more interesting". The bitterness in London was not

eased by a broad hint from Mr Ray-mond Seitz, US ambassador to London, that he advised Mr Clinton not to allow Mr Adams into the US. Mr Seitz did not dispute a suggestion that he argued against giving Mr Adams the chance to capture US media attention. Mr Seitz was called to Downing Street for talks on Tuesday as part of a drive to persuade Mr Clinton to distance himself from Sinn Féin.

The British position was also put to Mr Al Gore, US vice-president, by Mr Douglas Hurd, foreign secretary, and Sir Robin Renwick, British ambassa-dor to Washington.

Downing Street said the flurry of diplomatic activity had borne fruit in Mr Clinton's Tuesday statement which supported the British-Irish joint declaration on Northern Ireland

and abandoned the idea of a US "peace envoy" to the province. Officials vehemently denied suggest tions that Britain lost the propaga war in the US because it was caught unprepared by Mr Clinton's decision to grant a visa to Mr Adams.

Given Adams's novelty value to the US media I doubt that anybody on the other side of the argument would have been able to achieve the same kind of attention," an official said. Downing Street also sought to draw US attention to the conflict between Mr Adams's statements and the actions of the republican movement.

Manchester

is England's

host games

The city of Manchester is

England's nomination to host

the 2002 Commonwealth

The city, which has been

twice rejected in its attempts to host the Olympics, beat

London by 17 votes to seven after making their final pre-

sentation yesterday to the

Commonwealth Games Coun-

cil for England. The decision came after the

surprise 11th-hour withdrawal

from the bidding of the third

contender Sheffield - widely

Manchester's bid was the

most expensive of the three

English contenders and cen-

tred on the proposal that, win

or lose, it would build a

£187m, 65,000-seut national

Announcing the result Mr

Norman Sarsfield, council

chairman, said: "The council

were impressed by the very high quality of the bids that

Sir Bob Scott, leader of the

Commonwealth Games - the

golden jubilee games - and we

are determined to host them."

The General Assembly of the Commonwealth Games Federa-

tion will choose the 2002 host

in November 1995. No other

countries have yet submitted bids, but Adelaide, Australia,

which lost to Kuala Lumpur,

Malaysia, for the right to host

Cities have until May 1995

an interest.

seen as the outsider.

choice to

Britain in brief

Exporters are overpaid by ECGD

Department, the UK export credit insurance agency, has overpaid exporters by £83m since 1975, a report by the National Audit Office shows.

News of the report emerged in a written reply to a parlia-mentary question by Mr Mich-ael Heseltine, trade and industry secretary.

Mr Heseltine said the gov-

ernment did not intend to recover these overpayments "given the complexity of this issue and the difficulty and cost of establishing the case".

The overpayments, which were discovered during a review of the department's information technology systems, were due to the different treatment of supplier credit insurance policies which insure UK exporters against non-payment by over-ECGD's London and Cardiff

MPs to quiz Hurd over dam

Mr Douglas Hurd, the foreign secretary, is to be called before a cross-party committee of MPs to explain the UK government's decision to give aid to Malaysia's Pergau Dam project in the late 1990s.

Members of the Commons foreign affairs committee yesterday agreed to summon Mr Hurd and Baroness Chalker. the minister for Overseas Development, to answer ques-Manchester bid, said: "I believe it will be a vintage tions on the government's decision to give £234m to the Malaysian government in in 1988 for the construction of a dam on the Pergau river.

The committee has asked several departments to draw up a "comprehensive memorandum" outlining details of the dam project, which was recently described by Whitehall accountants as a "very bad buy"."

The committee has also drawn up a list of questions to be answered by officials. One aid was linked to the sale of filba of defence equipment to the Malaysian government at about the same time.

Milk market faces scrutiny

Arrangements for selling milk in the new free market which is due to start on November 1 could still be scrutinised by the competition authorities even after they have received government approval, Mr Richard Packer, permanent secretary at the Ministry of

Agriculture, said yesterday. Mr Packer said Milk Marque, the farmers' co-opera-tive, to be formed when the Milk Marketing Board is abolished will remain in a dominant position in the £3.3bn market in England and Wales.

"Any abuse of that position could certainly be subject to investigation by Brussels or UK authorities such as the Office of Fair Trading," he told the agriculture committee.

Rising traffic levels are threatto more cars and improving

Number of days' stock held

12.79 Testo

21.43

85.21

40 94.79 Boots

18.73 With Morrison

Argy2

42.60 Storehouse

30.65 Littlewoods Organ 32.38 Marks & Spencer

public transport would help tackle the problem, scientists

The report by the Expert Panel on Air Quality Standards, which was set up two years ago as one of the coments in the government's 1990 white paper on the environment, recommends that levels of benzene in the air should not exceed 5 parts per billion (ppb), calculated as a running annual average. It also recom mends that the standard eventually be reduced to 1 ppb and that the government set a tar-get date for achieving this. Professor Anthony Seaton of

Aberdeen University, chairman of the panel, said that the 5ppb standard "would broadly be able to be met at present" but lpbb would be more difficult. Mr Robert Atkins, environment minister, sald that the government would soon publish a public consultation paper discussions how the standards should be applied.

Chevron to cut N Sea staff

Chevron UK is to reduce Hz workforce in the North Sea Ninian oil field by 25 per cent as part of a wide-ranging reform of offshore manning levels and working practices. About 60 Chevron workers will be made redundant or retired, the company said.

The present shift pattern of 14 days on and 14 days off will be changed to a 21 days on 21 days off system, a move which will save £1m out of Ninian's total estimated operating expenses for 1994 of £85m.

The company said that the changes have been under consideration for some time, but the 20 per cent fall in oil prices over the past year has caused North Sea operators to seek additional savings.

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The Rt Rev Michael Turnbull. Bishop of Rochester (above). was yesterday named as the sor to the Bishop of Durham. He will take over the post when the controversial Rt Rev David Jenkins retires on July 6 after 10 years in office.

Visitors spend record £8.4bn

Spending by overseas visitors to the UK increased 15 per cent to a record £8.4bn in the first 11 months of last year, the British Tourist Authority said yesterday. The figure compares with the £7.9bn spent in the whole of 1992. The number of visitors in the first 11 months of 1993 increased by 5 per cent to 17.9m, also a record.

Customs officers will today

British Coal set to close last north-east pit

By Michael Smith

British Coal is likely today to set in motion the closure of its last working colliery in the north-east of England, once considered the heart of the

The move will shock the workforce which was confident the pit's future was secure after it recently won lucrative contracts to supply the nearby Alcan aluminium smelter. Regional executives are

expected today to tell union eaders representing more than 1,000 workers at Ellington colliery, Northumberland, that they want to hold a review meeting soon.

This could mean severe rationalisation but is more likely to lead to closure within the next few weeks.

As part of its pre-privatisa-tion rationalisation, British Coal yesterday signalled the closure of its Manton pit in Nottinghamshire by calling a meeting to review its future. Other Nottinghamshire pits will be told their fate today. The north-east will react

angrily to today's developments at Ellington. In the mining industry's heyday at the turn of the century, the region boasted hundreds of pits. For more than a century it

has been host to the Durham Miners' Gala, the most celebrated of the

The expression "sending coals to Newcastle" originates

delays hit

Delays in the commissioning of

the Thorp reprocessing plant

helped depress the 1992-93 prof-

its of state-owned British

BNF yesterday reported profits of £76m for the year to

March 31 1993, against £161m

for the previous year. Turn-

over was marginally down at \$1.05bn from \$1.08bn. The

results were at the lower end

of analysts' expectations. The

Mr John Guinness, chair-

man, said he expected profit-ability in 1993-94 to be similar

to that of last year. He said the

Thorp effect last year was

£18m but this year it would be

Yesterday's results, and the

accompanying annual report.

tion that the government will

agree to underwrite at least

some of the unexpected costs

which may arise in contracts

worth about £19bn with Nuclear Electric and Scottish

Nuclear. The government rejected previous underwriting arrangements, Ernst & Young, auditor to the accounts, said the company considered under-writing to be a prerequisite to

the completion of the con-

Greenpeace, the environmen-

tal group, said it was consider-

ing a challenge to the accounts

on the basis that the govern-

ment may not agree to the

underwriting. The Department of Trade and Industry said it

was considering the revised

BNF said that there were

several reasons apart from

Thorp for the 1992-93 profits

fall. Profits had been depressed

by £30m as a result of the nine-

week shutdown in 1992 of Mag-

nox reprocessing at Sellafield,

Cumbria, the company's big-

gest cosh-producing operation.

A further £40m depressant

was an advance writedown of

costs associated with the

underwriting arrangements.

were prepared on the assur

dividend to the government

was halved to £26m.

their previous year's level.

Thorp

profits

By Michael Smith

at BNF

from the unlikelihood that the region with such plentiful supplies of the mineral would

want to import it. Although supplies remain plentiful, there is difficulty in etting them out at competi-

British Coal recently told regional representatives, including MPs and council leaders, that it had encountered severe geological problems at the pit. Seams were thin and the pit had lost 25m in the previous nine months, it

Mr Jack Thompson, MP for Wansbeck constituency and a former worker at the pit, said he said he was not optimistic about today's meeting, but he hoped the private sector would show interest in the pit.

Most employees at the pit had believed its short-term future was secure as a result of recently secured contracts to supply the Alcan smelter.

Alcan last week announced it had joined forces with Ryan, the mining group, to consider a bid to buy British Coal's operations in the north-east region, including Ellington and open cast mines.

British Coal has said it will keep all pits it closes in a state where they can be re-opened by private operators. Ellington is still likely to be offered in the north-east regional package, which forms one of five companies to be sold by the government in the forthcoming



Sir Bob Scott, who led Manchester's successful bid, at yesterday's amouncement Picture Press Association

Six groups shortlisted for MacGregor says rail modernisation study US is holding

By Charles Batchelor, Transport Correspondent

Six groups of companies have been shortlisted to carry out a feasibility study for the £500m modernisation of the main west coast railway line, Railtrack, the company which will manage British Rail's track, Nuclear Fuels to less than half announced yesterday. More than 40 companies bid

to carry out the study into improvements to the 480-mile line linking London with Birmingham, Manchester, Liverpool and Glasgow, including re-signalling and straightening the route, Mr Gil Howarth, Railtrack's director of major projects said. Railtrack did not name the

shortlisted companies but they are understood to include consortla comprising Sir Alexansultancy, with Brown & Root, engineering and construction: Eurorail, a consortium of Trafalgar House, a construc-tion and engineering group. BICC, communications and cabling, and GEC, electrical systems; Kennedy & Donkin, an engineering consultancy with Laing, a construction

Coast line 1 7.36.25

company, and Ansoldo Trasporti an Italian engineering company, and ABB, the Swiss-Swedish electrical engineering group with Amec, a construc-

Railtrack expects to award the feasibility study contract by early April for completion within nine months. It will then hold a tender for a contractor to carry out the upgrading work, which is expected to

believed its bid had been rejected because it had proposed changes to the terms of the tender. It was unhappy with the fact that it would not necessarily benefit from its proposals for improvements in the feasibility study because another company might win

the upgrading contract.
Mr Howarth was speaking at the launch of a week-long series of roadshows which are expected to attract up to 1,500 directors and senior managers of construction, engineering and rail equipment companies - many non-UK groups - inter-

ested in supplying Railtrack.
Railtrack will have 2500m to spend on improvement schemes this year rising to £600m next year and £750m in 1996-97. In addition passenger transport executives and local uthorities will contribute an additional £50m-£100m a year to local rail improvements.

Railtrack expects to carry out about 5,000 projects a year of which 200 will be worth at least £500,000 each and at least

Survey highlights a nation of highly profitable shopkeepers

9.20 With Morrison

10.70 Storehouse

11.30 Sainsbury

12,72 Kingfisher

18.06 Surton Group

14.37 Sears

10.87 Argyll 11.25 Dixons Group

11.76 Marks & Spericer

11.98 Littlewoods Organis

12:45 Great Universal Stores

17.54 John Lewis Partnership

11.58 Co-Operative Retail Service

10.09

take five years in two phases. One company which did not make the shortlist said it

US authorities are holding up plans to give UK passengers a better deal on transatlantic flights, a British government minister said last night.

Mr John MacGregor, the transport secretary, told the committee that Britain wants to offer US airlines comple freedom to fly into UK regional

in return, UK airlines would have rights to fly to more destinations in the US in a deal offering passengers more choice and possibly lower

But Mr MacGregor said the Americans were "concentrating entirely on access to Heathrow" and that talks had ended with no definite date for their

Mr MacGregor told MPs that liberalisation of transatlantic air services would give people a chance to fly "to new destinations with greater frequency of service and the prospect of more competition and even Britain had offered an imme-diate lifting of all restrictions on services to all airports in the UK except Heathrow and

Gatwick. "I very much regret that we have not had a positive response from the US to these proposals. Nor indeed have they been able to agree a date for talks to resume," he added. The minister said efforts to restart talks were continuing and he was ready to go to

Washington at any time. Sorting out a new transatian-tic deal is particularly important to British Airways which is seeking a permanent link-up with American carrier USAir. Granting temporary approval last March to BA's partnership plans with USAir, US transportation secretary Mr

Washington should renegotiate their aviation treaty to allow US airlines greater access to British airports. Mr Richard Branson's Virgin Atlantic is also awaiting news

Federico Pena said London and

Warning over benzene levels

ening to cause harmful levels of benzene in the air, a government panel of scientists warned yesterday. Fitting catalytic converters

Crunch time for contraband

estroy more than 20,000 bot ties of contraband beer seized from cross-Channel smugglers. Customs' seizures have increased rapidly since the opening last year of the Euro-pean single market.

The beer will be drained off and treated and the bottles crushed before recycling. Customs said that the operation will take place at a secret location to stop people turning up and trying to salvage items.

British retailers 'vulnerable to cross-border competition'

Profit margin %

8.03 Argyl

6.37 With Morrison

1.69 Dixons Group

Statules.

0.53 Burton Group

1.33 Storehouse

Kwik Save

4.13 Littlewoods Organisation 1.93 . Co-Operative Retail Services

1.83 John Lewis Partnership

5.77 Kinglisher

10.23

0.60

-8.05' Anda

43

16.90 Great Universal Stores

Merks & Spancer

By Guy de Jonquières, Consumer industries Editor

British retailers appear more vulnerable than many European counterparts to the growth of cross-border competition in the industry and may be less well-placed to expand into Continental markets.

according to a study. A Europe-wide survey of retailers' financial performance by the Oxford Institute of Retail Management finds that although British retailers generate exceptionally high sales and profits from their shelf space, they are much less efficient in their use of assets

"One possible conclusion is that UK profit margins are good ('easy') but the ability of UK retailers to work their assets is well below that displayed by other European com-panies," the institute says. Questions might be posed as

Il Employee cost as % sales ■ Profit per employee £'000 2 6.68 Kwik Save

17.98 Marks & Spencer 16.03 Greet Universal Sto 9.58 Sainsbury 7.45 Kwik Save 6.33 Arové 5.08 Boots 3.26 Kingfisher 3.01 Littlewoods Organisation Dixons Group Co-Operative Retail Services 1.22 1.10 John Lewis Partnership 0.89 Storehouse 0.38 Isoace 43 0.26 Burton Group 45 -1.09 Sears

-5.17 Asda

gin competition."

to how well equipped UK com-

panies are to meet fierce mar-

UK retailers' high profits may be masking inefficient person-

The institute suggests that

41 19.80 Boots employee in 1992-93 of almost 50 European retailers, Kwik Save, the best-performing British group, ranks 10th and Marks & Spencer 12th, while 11

In a comparison of sales per tom of the list are British. The three worst performers, Boots, Burton and Sears, have sales per employee roughly one-eighth those of Kesko of Finland, the highest-ranked

Six of the 10 European retail-ers with the highest profit per employee are British, but so are seven of the 10 worst performers, including Asda, Sears, Burton and Storehouse Employee costs as a percent-

94.99 Kingfisher 98.01 Obons Group

age of sales are high by European standards at Boots, Burton and John Lewis, although relatively low at Kwik Save, isosceles (formerly Gateway), Wm Morrison and

oods Organisation

35.55 Co-Operative Retail Services.

51.48 Great Universal Stores

Burton Group

Tesco recently announced Sainsbury is considering similar moves By contrast, seven of the 10

European companies generating the highest profits and sales per square metre of store space are British. Most UK food retailers also carry fewer days' stock than their Continental counterparts.

However, the study says UK retailers may have less growth potential than their Continental competitors because of the difficulty in earning elsewhere in Europe profits comparable to those on their home market. The institute finds that 67 foreign retailers established operations in Britain between 1991 and 1993 - the largest number in any European coun-

European Retail Digest, Win-ter 1994; Oxford Institute of Retail Management, Templeton College, Oxford.

merger of BNF's enrichment assets at Capenhurst, Chester, into a company, Urenco, which it operates with Dutch and

in a distribution

A make y

107 mg

201, 6₁₉ 171, 51

\$200 E

ustralia.

Britain's brewers are having to work harder to maintain the pub's popularity, writes Philip Rawstorne

Britain's most popular social venue. A third of adults visit a pub at least once a week. It is the first choice as a place to meet friends, according to a recent Mori poll. But brewers and independent

pub operators are having to work harder to maintain the pub's appeal and its place in the leisure industry during the 1990s. The closure of an estimated

3,000 pubs since 1989 - and predictions that 10 per cent of the remaining 65,000 will go out of business by the end of the decade - testify to the pressures. The number of young people, the pub's traditional big spending customers, is declining. Drinking habits are changing under the impact of healthier lifestyles, drink-driving laws and shifting

employment patterns.

There is more competition for leisure spending from restaurants and wine bars, fast-food outlets and clubs. Home entertainment has grown with the proliferation of television and videos.

"It is no longer enough just to open the pub doors," says John McKeown, retail services director at Allied-Lyons, the food and drinks group. "You have to offer much more than a drink to bring the customers inside."

Exactly what can be done to satisfy the more demanding, value-conscious consumers of the 1990s and improve the return on assets is an issue on which pub operators are now concentrating their retail skills.

Allied, which earns an estimated 16 per cent of its profits from a directly-managed estate of 2,500 pubs, believes it has found several equally successful

In an attempt to understand the demands of its varied customers, Allied classified its pubs in the mid-1980s according to the community they served, the dominant age and social class of customers, and their drinking habits.

Combined with the introduction of electronic point-of-sale systems, this exercise enabled Allied to cater much more effectively to

customer demands in each market sector and to anticipate changing

attitudes and values. McKeown has no doubt about what is needed to maintain the pub's place as a social centre. You have got to make a visit to the pub an occasion, provide an enjoyable experience that will persuade customers to stay for a few hours, and provide the ssurance of consistent quality that will bring them back

regularly," he says. Allied hopes to achieve these aims with three concepts, each designed to meet the need of a different niche market. Two in



particular are transforming some of Allied's pubs most threatened

Under the first concept, the company is converting into Firkin outlets local pubs which had little to offer their neighbourhood but convenience. Allied extended the brand – originally developed by David Bruce, now a director of Grosvenor Inns, the pub operator - after buying 14 of the pubs from Stakis, the hotels and casinos

group.

Firkin pubs appeal to young drinkers. They feature uncluttered floor space, at least one large table that a dozen people can sit around, young staff - and most barrels a week of rich brews with names like Dog Bolter. By the end of this year Allied will have 23 Firkins, and 53 by

of them have a micro-brewery in the cellar producing 10-12

the end of next year. Pubs that have already been converted -at an average cost of £150,000 - have achieved up to a fivefold

increase in turnover. McKeown says: "There is a limit to the development. If there were hundreds of them, they would fail. One is enough in most

university towns."
Plans for Allied's second youth-appeal pub brand, Mr Q's, are more ambitious. Pubs that have become stranded by nave become stranged by population shifts, often on the edge of 1930s housing estates, are being fitted with four or five pool tables, a wall of screens for MTV and video juke boxes.

The number has been doubled in the past year to 161, and by next year there will be 220 of . "Even if they did not sell more beer - and they do - they would still be very successful," McKeown claims.

Firkin and Mr Q's aim to buck the demographic and economic trends; but in the third part of its pubs strategy, Allied is trying to consolidate its position in the mainstream eating-out market for older couples and families. Good value meals have become

a much more important part of the pub's offering during the ion. Allied now seeks to fill a niche between the big pub-restaurant and the bar snacks trade with its Big Steak houses.

"A lot of people still feel uncomfortable in restaurants, says McKeown. "They don't like the ritual of ordering, and the waiters hovering around." So Big Steak incorporates a dining area in the pub and links its service to the bar.

"It costs about £250,000 for a Big Steak conversion, "but the investment so far is showing very good returns, with food profits 35 per cent ahead," he says. The number of outlets has been increased from 170 to 232 in the past year. Allied intends to manage its

pub brands on the same lines as its retail franchises, Dunkin Donuts and Baskin-Robbins. "We shall set and maintain the brand standards centrally," says

omen like sex and have a sense of humour, they no longer think of themselves as the "typical housewife".

A few hours watching UK television commercials, however, might encourage viewers to conclude oth-

The glum succession of women obsessed with the spotlessness of their floors and weekly wash, and who crave the advice of male scientists in white coats, contrasts sharply with the humour and inventiveness of, for example, some of the beer advertising aimed principally

Given that most TV commercials are for brands purchased by women, surprisingly little is known about what kind of advertising appeals to them and why, according to advertising agency Ogilvy and

The agency says commercials aimed at women are often boring and hadly made, are rarely of the calibre that win awards for creativity, and "fail to get under the skin" of their intended audience.

in an attempt to improve standards, O&M's planning department in London, which provides the research that underpins the agen-cy's creative work, has conducted a study among women of a variety of ages and social backgrounds.

The suggestion that women like more sex and humour than advertisers have hitherto been prepared to believe, and are unlikely these days to think of themselves as housewives, are among the study's main conclusions. Over the next few weeks, the findings will be pres-ented internally, and to the agen-cy's main clients, which include Unilever, the Anglo-Dutch food and consumer group; Ford, the car maker; health insurance group Bupa; and American Express, the

credit card group.
Detailed studies were made of 12 groups of women. The women filled in diaries for a week, noting the advertisements they had watched and their reactions to them. Then they met to discuss how they saw themselves, their lives, what was important to them, and their views on brands and advertising. They also discussed a number of commer-

From the results, the "onion theory" was developed, explains Beth Barry, planning director. Women of different ages and at different stages in their lives have more in common than many marketers believe, she says.

"As a woman progresses through lifestages, she accumulates knowledge, responses, behaviour, like the layers of an onion. Moving to a new lifestage doesn't mean discarding the experiences and memories of previous lifestages," she adds. A dent me; the lover in me; maternal woman's sense of identity - the me; nostalgic me." Many of the



Sex, humour and the 'me within'

Advertisers who wish to appeal to women should take heed of a new survey. Diane Summers reports

it - may be largely submerged or more evident at different stages, but is always there and ready to be accessed or released by advertising. The "me", found O&M, is very strong among single women and those who have partners but no children; by the time motherhood sets in women are most likely to describe themselves in terms of roles, such as mum or housekeeper, and the "me" becomes submerged. A return to work is, for many women, a re-emergence of "me", as is divorce in some cases. As children leave home, the rediscovery of "me" will mean that, from an advertiser's point of view, older women have more in common with young singles than traditional market segmentation normally allows for.

nd what exactly is this inner "me" which women carry with them through their lifestages? Its nature and complexity may surprise some marketers. For example, one 45-year-old who would be viewed conventionally as the "classic housewife", described herself thus: "Sexy me; successful me; childish me; homely me; indepen-

women with small children, for whom the "me" was most sup-pressed, expressed a desire to be "wicked" or "flery", and most wanted to be rich and

The O&M planners conclude that advertisers must understand that women cannot be defined by their role or lifestage - the key to suc-cessful advertising is accessing the many aspects of "me". Waiting to be tapped are:

The wild woman - outrageous, rebellious, sexy.

The wicked woman - manipulative, teasing.

• The free woman - independent, happy, in control. The woman on top - one upmanship, subverting expectations.

• The funny woman – witty and

The return to childhood - fun, naughty. The strong woman - coping, jug-

gling, smiling.

The intelligent, creative woman imaginative, talented. • The pampered woman tic, indulging, relaxed. • The voyeur - enjoying men's

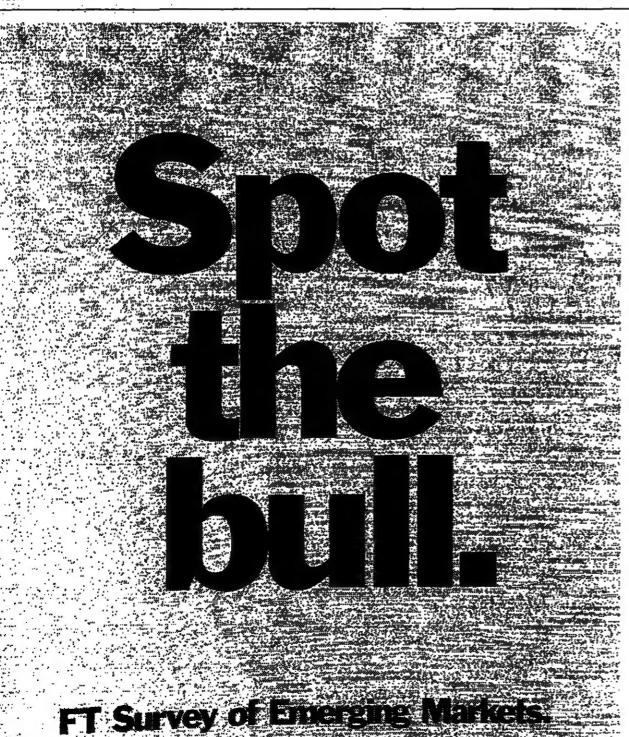
-Examples of the commercials which most appealed to women

included a Nescafé advertisement for cappuccino, which showed a group of young men setting up a coffee bar on the beach to attract some passing young women - this appealed to the romantic and nostalgic "me" in all ages. A Kenco advertisement for instant coffee. which has a coffee grower mistakenly assuming that the man, rather than the woman, is the boss, appealed to the "woman on top". The Gossard underwear "lock up your sons" advertisements appealed to the "wild woman".

Often the more overtly sexual commercials - for instance, some of the most recent for Cadbury's Flake - were considered slightly embarrassing and were liked less than those which aligned sensuality with beauty and stillness.

Predictably, advertisements for household cleaning products were among the most irritating to women: the Daz washing powder commercials featuring doorstep interviews were seen as patronis ing, dull and too ready to categorise women as "housewives".

But, overall, the advertisements that women liked least, says O&M researcher Sarah Newman, were simply poorly made, boring and "like wallpaper".



On Monday, February 7 the Financial Times is publishing a special 16 page survey on the up-and-coming buil markets around the world.

It will explain how poor growth rates in Europe, North America and Japan have led investors to look more closely at the economies of Asia, Latin America and Eastern Europe.

And it will also offer advice for the would-be investor and look at what the future could hold for the major trading nations as those emerging markets develop.

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FINANCIAL TIMES CONFERENCES

The **London Motor Conference** London, 21 February 1994

The meeting will focus on the competitiveness of the European motor components industry and consider the challenges facing the sector of achieving 'world class' standards. The structure of vehicle distribution and retailing in the mid-1990s and manufacturer-supplier relationships will also be addressed.

Speakers will include:

Sir David Lees

Chairman and Chief Executive GKN pic

Mr John T Lindquist

Senior Vice President The Boston Consulting Group Limited

Professor Garel Rhys OBE

Professor of Motor industry Economics Cardiff Business School

Mr Yukihisa Hirano

Managing Director Toyota Motor Manufacturing (UK) Ltd.

Mr Chris Swan

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tanding on the bridge of a crude oil tanker, manoeuvring towards the entrance of Tokyo Bay, our course is compromised by a cargo vessel coming from the starboard. Curious to see how the ship simulator handles a collision, I take aim at the cargo vessel and ask the first mate how long we must wait for the moment of impact.

The answer is a patience-testing "about five minutes". More sophisticated than a video game, but slower with the thrills and spills, the Ishikawajima-Harima Heavy Industry (IHI) simulator is intended to give a ship's crew experience at the helm in the safety of a small warehouse.

Because standard instruments are used on the bridge, the simulator has a reality that is more than virtual and the sound effects that come with a collision are convincing. But even so, it is difficult to get away from the sense that you are in a big room in central Tokyo surrounded by a video screen, and this detracts from the tension of the

IHI, the first Japanese compa to build a simulator, in 1975, has just sold a Y1bn (£6m) version to a maritime college in Bombay, and claims the ability to recreate any international port setting or narrow-necked strait for training purposes. All the company needs is a collection of images and relevant information about the shifting currents in the area.

To imitate conditions on a real ship, IHI has put speakers under the floor of the bridge, providing the

All at sea from the safety of a warehouse

ments, the video projection extends 225 degrees, covering the entire field of vision with five overlapping

A shipbuilder by trade. IFII has put standard instruments on the "mimic bridge", as it is called. The customer can then choose the type of mother ship it requires - a tanker, car carrier, a ferry or large fishing vessel. Potential obstacles range from a dimly-lit buoy to an errant yacht in the shipping lanes.

Yoshitsugu Matsuura, the manager of the simulator project group at IHI, is a little touchy when reminded of the similarity between an arcade video car-racing game and a state-of-the-art ship simulator. "They are on a different scale and very different in their sophistication. A video game has a video base and the simulator is a collec-tion of different technologies."

It is very sophisticated. When our vessel eventually collided with the cargo vessel, there was a realistic scraping of metal, giving the impression that we were badly holed and taking on water fast. On a separate simulator model. crew with the vibrations that would come from an engine beneath them. From behind the nautical instru-hulled jet propelled cruiser, our ves-



sel passed silently through the video image of a container carrier

sense that they are at sea. The blue bubbles and whirling currents are a IHI has paid attention to detail in blend of computer graphics and programmer turns down the lights

will be devalued if trainees do not for night navigating, the simulated sea becomes convincingly dark and forbidding, with the lights of land flickering in the distance.

this, an instructor can distract the

engineers by pretending to be a

regional grid manager and march on to the control floor demanding

an instant report on what is han-

Each session lasts around two

hours, with those on the simulator

sitting at a bank of computers in

response times of trainees at a separate terminal, returning after an exercise to point out the faults of a clumsy attempt to dock or the dangers of failing to give way at the entrance of a simulated

Apart from teaching trainees to avoid accidents, the equipment can be used to recreate an accident scene. By programming the course of two vessels, and copying the surrounding sea and weather conditions, whether it be a fog-shrouded harbour or the rushing waters of high tide, investigators are supposed to be able to experience an accident themselves. Demand for the simulators is still

a little slower than the cruising speed of a very large crude carrier. Matsuura said IHI expects to sell one every year or two, though the increasing sophistication of the electronic components means the simulator is coming closer and closer to the real thing and could generate interest from colleges which have so far preferred to do

their training at sea.

The equipment is part of the management justification for IHI's own investment in electronics which has little direct relevance to the building of ships, oil rigs or the other heavy industrial structures in which it has most expertise. Japanese shipbuilders and steel companies have been enthusiastic converts to the semiconductor and computer industries, believing that as steel has traditionally been the country's "industrial rice", the chip is the industrial rice of the present

The human factor

ircraft simulators are normally used to train pilots and refresh the skills of experienced flyers, but the newest equipment used by Lufthansa the German airline, goes a significant step further.

As well as putting trainees through their paces, its simulator is used for research into how pilots behave in aircraft and into the best ways of designing modern cockpits. The DM40m (£15m) simulator

is shared by Lufthansa and Berlin University's Institute of Aerospace, where it is located. Its operating company, the Centre for Flight Simulation (ZFB) is owned by Lufthansa, Deutsche Aerospa (part of Daimler-Benz), CAE (the Canadian company which developed the software) and the state-owned German Aerospace Research Institute.

Gerhard Hüttig, head of ZFB. says today's pilots have to be equally at home in the worlds of information processing and flying.
"Our central research theme is the human factor and how people work with complex modern equipment."

The simulator is based on the latest long-range European Airbus A340. Run by a powerful IBM computer, it is programmed with details of some 50 airports to give pilots as realistic an impression of take-off and landing as possible. Lufthansa is the main user of

the simulator, the first of its type, although the National Aeronatics and Space Administration now has a similar one in California based on a Boeing 747 cockpit. For research purposes, ZFB switches to a separate IBM to run the programs for investigating the ergonomic and health aspects of flying. Cameras and medical equipment are used to monitor brain, heart and other reactions. Colour recognition and how this is affected by ageing, is also studied. With a large amount of complex digital information, it is important to know which colours are most effective.

The simulator is also available to equipment manufacturers for cockpit design. Huttig says French companies like Thomson and Aérospatiale have expressed an interest in using it.

instructors and team members not involved in the session. They sit in a room overlooking the simulator floor. As well as seeing how those on the simulator handle the incidents, with only a few minutes available for some solutions, the instructors also observe bow well and coolly the senior team member analyses events. Generally, says Stirrat, engineers

react correctly to the incidenta thrown at them. If they make mistakes, it is important they are aware of why things went wrong. No one has yet found it all too much and walked off the floor, but Stirrat recalls that an engineer did throw up his bands in (presumably) mock despair once and cry out: "I

AF

Collapsing the system without getting the sack

f power engineers have nightnares, they probably include hurricanes, thunderstorms, blizzards, bolts of lightning, generating equipment failures and severe voltage losses – anything likely to threaten the electricity system or

even collapse it.

For most of them – at least in the National Grid system along which electricity is distributed in England and Wales - such incidents never occur in real life. Only around 20 per cent of those controlling the power system ever experience any

Thus when the National Grid planned its new £80m control network, brought into operation last October, it included a sophisticated training simulator designed to give those engineers who had only

what to expect when chaos intervened and nightmares came to

"We're not trying to frighten them," says Steve Allamby, lead instructor. "But people on shift can go for a number of years without ing major faults. So we put them under very onerous multiple fault conditions like hurricanes."

Every one of the control engineers at the National Grid's four regional centres and the national control centre in Wokingham, Berkshire, is being put through the simulator course. "This is the only place in the

British Isles where you can collapse the system and not get the sack," says Gordon Stirrat, head of the simulator training operation. Teams of engineers from around

IT'S ABOUT TIME...

power distribution is handled by the generating companies - spend two days at the simulator in St Albans, just north of London in Hertfordshire. If Wokingham goes down for any reason, the St Albans facility can rapidly be switched over from training to run the whole National Grid.

On the simulator, engineers are subjected to several scenarios of growing severity. These are based on possible conditions in their own areas, so that engineers from the south could be faced with winds from the English Channel or a sudden failure in electricity imports from France, while those in the north could have ice and snow-

The instructors can use the simulation software to build up the

neers have to cope with a "cascade effect", as Stirrat puts it. The faults are usually related, but it is not always obvious which one is poten-tially the most serious. If the engineers are coping too easily, extra faults can be introduced to stretch their abilities further. To add to the confusion, a report can be phoned in of someone having climbed a pylon, so that power has to be

routed around it. The effects on the power system of the hurricanes of 1987 in southeastern England can be recreated, as can the vicious countrywide snowstorms of 1990 which caused even more damage. A band of light-ning which tends to sweep across the south-east coast and up to East Anglia through London is also fea-

In the midst of coping with all end of the telephone are played by

front of a large screen with a detailed diagram of the National Grid. Engineers from the regions look at the part of the screen containing their own power stations, sub-stations and electricity lines. Flashing lights and indicators alert them to problems, to which they react by studying their screens and telephoning experts along the network to find out what is happening and have matters put right.

The roles of those at the other

PEOPLE

Main course for GrandMet's Lowes | Charkham to

Grand Metropolitan has the role of chief executive. Foods Europe, following the departure of the incumbent, Peter Thompson, 47, to become president and chief executive of Walkers Smiths Snack Foods, part of PepsiCo Foods and Beverages International. Lowes has been with Grand-Met since December 1989, when he joined as chief financial officer of Pillsbury, based in the US. in April 1992, he moved to London to become deputy group finance director. Grand Met Foods Europe recorded profits of £958m in the year to September 1993



Immediately before joining GrandMet, Lowes spent 12 years with Philip Morris/General Foods in a variety of roles. ultimately as corporate con-

troller with Philip Morris in

■ Robert Mendelsohn, 47, is to take over as chief executive officer of the US subsidiary of ROYAL INSURANCE, following the retirement of William Buckley, 57, from his positions both as president and chief executive officer of the company and as a director of Royal's holding company.

Until last year, Mendelsohn was president and chief operating officer of WR Berkley Corporation, a successful non-life company whose recent operat-ing results have compared favourably with the rest of the US industry. If Berkley's adver-tising slogan – "Volume is vanity, profit is sanity" - is any indication, Mendelsohn should feel at home with Royal's emphasis on underwriting discipline rather than market

Royal's US company, which is based in Charlotte, North Carolina, is ranked in the top 30 property and casualty insurance companies in the United States and is rated A- by AM Best Company. It has a share of just under 1 per cent of the

Colin Browne, 48, director of corporate relations at British Telecom since 1986, has been appointed as director of corporate affairs at the BBC. He replaces Pamela Taylor, who has left for the World Health Organisation after little more than a year in the

Browne's decision exchange the comparative calm of Britain's biggest company for the sometimes turbulent internal politics of the BBC management team comes as a bit of a surprise. Taylor, who replaced Howell James in November 1992, was brought in as part of BBC director general John Birt's radical manent shake-up.

Browne, a career BT man was director of BT Vision, responsible for developing BT's interests in cable TV and satellite TV programming, before moving into corporate affairs. He has been replaced by Ian Ash, 51, a former IBM executive who joined BT in 1989 and was until recently director of marketing in BT's personal communications divi-

LASMO, the independent oil exploration and production company, yesterday appointed Richard Smernoff to fill the vacancy created by the departure last year of Michael Pavia, the former finance director. Smernoff, 52, spent his early

career with accountants Coopers & Lybrand and with Inter-national Paper Company. He then spent 13 years with Amerada Hess, the US oil company, where he was senior vice president and corporate controller. In 1992 he spent a year with Lasmo in the US, helping in the rationalisation that followed Lasmo's takeover of Ultramar.

That assignment was one factor behind his appointment, according to Joe Derby, chief executive: "We know he will fit into the Lasmo team". Smernoff's inter-personal

and communication skills another factor - are likely to be subjected to an early test. Full year results for Lasmo. which is particularly vulnerable to current low oil prices. are due shortly after he takes over in March.

Tony Philipson, 47, has been appointed group chief execuParis, Lowes' experience in the food business stretches back to 1975, when he first joined H J Heinz as an assistant manager in commodities and finance. Stepping into the vacated deputy group finance role -though the title is now group

GrandMet will be based in

controller - is David Rickard, 47, currently chief financial officer of Pillsbury and of GrandMet Foods America, Like Lowes, a US citizen, Rickard joined GrandMet in two years ago from an 18-year background in various finance in the US and Europe.

tive of Porter Chadburn, the numer products and packaging company. He replaces Raymond Dinkin who left in ember after a run of poor results saw the share price fall from 300p in 1987 to a low of

A graduate of Nottingham University, Philipson spent the 1970s at graphic arts company Letraset before moving to Pritchard, the industrial services group, in 1982. But it will be his perfor-

mance at Savage Group, the hardware supplier, where he has been chief executive since 1991, that will hold most appeal for Porter Chadburn's shareholders. When he took the heim, the company had a market capitalisation of £12m. Two and a half years later, it was sold to Midlands manufac-

turer, McKechnie, for £48m. The key to that success was the elimination of losses in international subsidiaries, an interest he will be able to maintain at Porter Chadburn, whose US labelling business has continued to disappoint.

■ Guy Dickson has been appointed chairman and md of SCOTTISH & NEWCASTLE Breweries in succession to Gavin Reed who retires in

November. Christopher Haines, former chief executive of the Jockey Club, has moved from a non-executive position on the board of YORKSHIRE FOOD GROUP to become an executive director heading its newly created operation. Sugar

Andrew Bird has been appointed marketing director of SECURICOR Communications; he moves from Dowly Communications.

advise PIRC

Jonathan Charkham, a member of the Cadbury committee on corporate governance and former adviser to the Bank of England, has become an adviser to Pensions and Investment Research Consultants.

PIRC has made a name for itself advising UK local authority pension schemes in particular about such matters as corporate governance and ethical investment, thus identifying itself with a distinctly non-City

PIRC also advises some US investors on corporate governance matters in the UK and was instrumental in forcing Hanson to back down last year on proposals to weaken the ability of shareholders to challenge board members at the

annual general meeting. Charkham is a non-executive director of GUS - itself under fire for some aspects of its corporate governance; his book, Keeping good company: Corporate governance in five countries, is published this month by OUP.

Non-executive directors

John Bond, Bryan Sanderson and Richard Turner at BRITISH STEEL; Lord Gregson, Sir Ronald Halstead and Alan Wheatley have retired.

Brian Birkenhead, group finance director of National Power, and Brandon Gough, 900n-to-retire chairman ol Coopers & Lybrand, at DE LA

Sir Terry Heiser, former secretary of the Department of the Environment, at COSTAIN.

Clive Cooke, ceo of RMJ Securities, Bill Kissack and Geoff Lott, directors of Williams, Cooke, Lott & Kissack, and Jim Magee, chief executive of Shorcan International Brokers, at EXCO INTERNATIONAL ■ Gerald Scanlon, retired deputy chairman and group

chief executive of Allied Irish

FOODS. Nigel Myers at CENTRAL MOTOR AUCTIONS; and Richard Wilson temporary acting chairman confirmed as chairman following the

to:

Banks, at AVONMORE

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w Disting

April in Paris

ohn Godber, the writer/director from Hull, ■ still in his 30s, Already he has a string of successes behind him. Bouncers, Teechers and Up n'Under were all admirably professional. The titles described the subjects, the last being about rugby league. They are full of zest, social observation and competence.

Sadly, I missed On Lanother expressive title) when it played - to acclaim - to the Rud in year. But it never occurred me until the opening of April in Paris = the Ambassadors this that Godber is one of the best contemporary British playwrights.

playwrights.

The piece not quite new. First performed in Hull in the it has toured the country and ran on the Fringe to mixed reviews - throughout year's Edinburgh Festival It London with Gary Olsen and Maria Friedman. Splendid as they are, most of the praise must go to the writing and the direction, which is by Codber himself.

April Paris be only as a comedy. Some of it is very funny.

That prevails,
along the craftsmanship,
and Ms Friedman the characters. Married for nearly 10 years, they quarrel, yet remain mutually dependent; Man is much disease that they will part.

He is a physically large man, suffering the pains is having the redundant. He paints in his shed, mainly pictures I power will bis size, was and good-looking, still a a job her man time entering magazine competitions. She wins ■ trip In two, including "a night al luxury" on North Ferries M Feet Neither she nor her husband limit himsel before, far out of Hull.

The first hint that this might be an out-of-the-ordinary play the storm in the North Sea clears and the husband, a reluctant traveller, catches a glimpse of the receding English "Have you noticed," he says, "how sad the people in the streets have

Paris is a revelation. They love it. The artist in the husband comes out when he sees the Mona Lisa in the Louvre. He accepts a steak tartore in a restaurant ritual knowing and it is, then overcomes his revulsion to find II delicious. The wife picks up French faster than he does, but even he agrees to go on the Metro and stuns her by asking for a carnet at the ticket office.

This is, incidentally, the most pro-France and pro-European Union play that I have seen by a British writer the only one. There are no cheap okes about foreigners. With the liberation supplied by Paris, 🝱 📺 🕌 begin M call each was by their first names. Al and Bet, for the first time in years.

The return 🐸 Hull 🖿 an anti-climax. but life will mean be the man again. Al mail in to pant in his shed, but new - in bright colours - a marriage. Eiffel Tower. This time it is the husband looking at the magazines for prizes - III taking III which gives lim play a rear neat ending.

The sets, designed by Robert Jones, are integral to the piece: small black and with for the house in Hull, then a few minor changes to show a ship in storm, and finally, in the second act, huge background of the Moulin Rouge. of the vignettes are superb: watch Al and Bet travelling together standing in a crowded Metro after midnight. Rarely players complement each other so well as Olsen and Ms Friedman. As for land in he has arrived playwright who can combine comedy. depth and feeling.

Malcolm Rutherford

Thatra (071) 886 6111

THE BLUE KITE Tian Zhuangzhuang

WAYNE'S WORLD 2 (PG) Stephen Surjik

LES VISITEURS (15) Jean-Marie Poiré

JACK BE NIMBLE (18) Garth Maxwell

BODIES, REST AND MOTION Michael Samberg

THE CONFORMIST (18) Bernardo Bertolucci

ere are some of the rewards offered to good filmmakers In Amerthey give Oscars; in Britain, Baftas; in France, Cesars; in Europe, Felixes; in China, detention sentences and/or visa confiscations. This is what happened to Tian Zhnang-zhuang. "Where is he?" we cried last year at Cannes when his film The Blue Kits became the sleeper of the Directors Fort-night. This movie about the everyday terrors of life under the sway of Mao and his Little Red Mind should be spoken of in the same awed breath as Farewell My Concubine. Passion, compassion and a searching. majestic irony join together in the history of a family concussed by Communism. So where was Tian? Back in China after having his exit visa taken away. And why

does The Blue Kite trespass across forbid-political airspace? Because cles 20 years in the life of a family based on Tian's own as its members endure the cruel, interchangeably wintry seasons of Maoist rule. From the Sino-Stalinism of the early 1950s the film moves through the Forward Finally Cultural tion. Iced-up all: designed to enhance or advance the lives of the people than to crystallise the tyrannies of their leaders.

Nothing wintry, though, novie, with lightest shadings grow their colour the light the light than the light than the light that the light than Shujuan (Lu Liping), fully enduring a life of serial wedlock as she loses one husband to political exile, then marries his repentant betrayer, then ends up with a dried-out old Profe There are her quizzical, button-bright son (our main point-of-view character); her tured, sister; her tured, tured, her brother, her loses In girifriend to one of several passing purges; we street life that seems real to every brushstroke.

Tian portrays this life built on deprivation and thought-policing with a naturalism at once tender and abrasive. Popular Maoist songs are offered up for mockery: we have give peace in invaders at he people!" sing a bunch of wedding guests; "Wipe out and decay and bureaucracy!" warble group of schoolchildren. But the movie never stops at mere scorn. It swells from the modest, multiple-choice pathos of early runn - miles families, fractured loyalties - to | kind of vast silent tragedy: story a nation whose people survived despite an experiment in grimly, resoundingly

Wayne's World shocked the planet recently by disproving Lear's theory

f an opera company wants to enter into a partnership of some kind in

Europe, when better to go iman

Maastricht? The city is produced a

treaty as full of drama and complications

addition Details opera's repertory.



Bveryday terrors under the sway of tyranny: Yi Thin as Tietou will his life in Tian Zhuangzhuang's latest film

Cinema/Nigel Andrews

Life in a cold climate

completely empty heads, the comedy showed, that ill cinema and registers will be globe. Wayne (Michael Myers) was the head with long dark hair and the life and t face like a Halloween turnip. Garth (Dana Carvey) was the head with long blond hair and a long like Harman Bates's mother. When the co-hosting that III was show public-access TV, our teenage sallied forth from Aurora, Illinois, In spread this gospel of ima culture mil catch-phra

In Wayne's World I they stage I "real" pop concert - Waynestock - with help from Kim Basinger, Heston, Aerosmith, Rip Taylor and color trapped inside Color Studio's perimeter fence during shooting.

This is the mixture as before, so why is so much funnier? One reason: its silliness-on-a-loop humour works like mesmerism, hilling you will repetition learn manipulating your funny-bone at will. Reason two: in translating themselves to their Saturday Night Live American TV slot, Myers and Carvey have developed a flair for duffing up movie lore itself. Jurassic Park, Field Of Dreams and The Graduate are among a dozen-odd films invited into the script's orbit in order to be knocked about. And the best joke is a delayed-action gem about the function of melons, chicken crucas and shalls of replacement glass was will into

Most comedy and can be and Ted begat Wayne and Garth and Wayne and Garth might have begotten – by triangular interbreeding with Monty Python – Jacquouille and Godefroy in Les Visiteurs. This has bell the mother market success, bar none, in French cinema history.

Penelope Keith, Mid doubling up).

French Having a a sternity u Britain, u I now thes to blend to security Cally humour with high-pressure subtitles. III audiin turner Wolverhampton areas are al the mile of two literaturalizate MAME-Agers washing their faces in ■ bidet? Or throwing Chanal No 5 into the bath as if it

Passion and irony as a family endures the cruel, interchangeably wintry sensons of Maoist rule

million francs to watch a medieval knight his squire (tall not stately limit Reno, squat and manic Third Chalonge) flung into present-day Languedoc alar a mix-up and a mixed spell.

Here experience culture shock and so does the audience. (How is your ear for 1990s-colloquialised Medieval French?) The hotel in which Jacquouille and linkfroy run bewilderedly amok is none other than J's old family castle now converted into a relais and managed by limp-wristed Jacques-Hebri (Chalonge doubling up). It is also owned by a descendant of the knight's century Beatrix

were both friend (But and would they know and bath mouses?) Or falling foul "supermarkets," the strange below filled with warmen and and And so on, with mixture of overzeal-

on the hilarity of the first Jean-Marie Poiré's film suggests that than a Channel Tunnel is needed in the land trans-manche link between French and non-French and of humour. But then they may my the same will seeing Warme's Wirk 2.

But Las Values is backen in this week's wooden spoon. That is would between

(Valerie Lemercier, France's Land Ham and Jack Nimble Inn. Aus-Penelope Keith, 111 doubling up). tralia and Michael Steinberg's Land Rest And Make from the US.

11

The Lat II a ill-stirred was of violence, hypnosis and all all sepa-rated-when-young siblings (Alexis Arquette, Sarah Smuts-Kennedy) for spot of grown-up carnage. Steinberg's film is an Artement of drifting lovers. He the wooden quecould have been used to hit over the head. In might have instilled vitality into HE Stoltz, Bridget Fonda and Cates; though Britain's Tim better, leavening his portentous Zen-buddyist dialogue with an plausi-ble was accent. The title, by the comes from an of Newton's but not the the the danger of

near overripe prententious in case they drop heavy objects you. See instead 25-year-old The Conformist, in a print and looking which of war it is in reveries of | Direction political discrete (Jean-Louis Trintignant), evolving from closet homosexual in Paralla hit man in casualty of history. The images dazzle; the camera behaves like Torvill and hallucinogens. A good film-maker his peek of almost-greatness, just leter he to gift-wrapped (The Last Emperor) and guff-wrapped existentialism (The Sheltering Sky).

Opera/Richard Fairman

Donizetti's 'L'elisir d'amore'

as any grand opera is also the part-origina-The curtain goes no to reveal a picture of idyllic country life - literally, as the for of Emiliar Opera's Wire militarilly venture, a production = | stage is encased in a giant, golden frame. As the sun beats down, women in wide-brimmed hats help their menfolk harvest It is a mane undertaking, accomplished without a hitch. While Euro-scepthe summer's crop of apples and oranges. look upon the treaty as a tragedy in the acts, this the liminate appear is a Havergal knows how to arrange his chorus comedy which for a light touch. in attractive groupings. The designer, Russell Craig, has provided colourful sets and producer Giles Havergal ing not tried anything outlandish. costumes, especially strong on complimen-Although staging does not probe the tellingly as it might, the

From a programme note one might have thought that the producer intended to but it was be. Although Donizetti's ide's bumptious literal struts arms in quack and all the later is a mystical elixir. It is in fact nothing but a bottle of coming-together of the young couple is achieved not by any magic potion, im through im transfer ings - the twist in the comedy that should

The cast, led with brio by the conductor Guidarini, and not quite manage that. Cheryl Balle sings with a transfer from cold, minx to minx girl-nextdoor wholly convincing. Simon Keenlys-

make it touch it heart.

stage, tweaking his moustache, twirling his baton: another amusing characterisa-tion from this imaginative baritone. Lisa Milne a delightful Gianetta. The only link in the gruffly-sung Dulcamara 🗸 Corbeil, who comes and the Mad Hatter, but a not half as much

In the key inter if the com-Paur im fielded Paul Charles Clarke, is probably as Iblantile a tenor III Scottish Opera can hope to mirror. The voice has a good ring to it it the top, though it

returns to its English roots on certain vowel sounds lower down. As a bel and stylist, in how to spin out in inin an instrumental fashion when he to, "Una furtiva lagrima" was well and but as moving as a can be.
Why? The trouble is that its role

simple-minded Nemorino is an awkward which needs to be played with tact. I laudably tries are to overdo the simplicity, but ends up failing in do enough to win one's sympathy. His Nemorino is just the more of himself to be ignored and rebuffed, so in the last rebuf the int in not warmed, the potion has not worked, in the me performances perhaps there is a kind of magic, after all.

athe Theatre Royal, Glasgow, until February 11. and on tour

INTERNATIONAL

ATHENS

Megaron Tomorrow: Orchestra. I and Sun: Nicholas Michalakis Philharmonia Orchestra in we programmes, with soloists Yvonne Kenny, Peter Donohoe III Tasmin Little. Next Tues Thurs: Vienna friends play works by Schubert (01-728 -722 5511)

■ BOLOGNA

Teatro Communale Daniel Oren conducts revival III Jonathan Miller's Monte Carlo production Mana Stuarda, with cast headed by Esperian, Gloria Scalchi, Gregory Kunde and Giovanni Furlanetto (repeated Feb 9, 11, 13, 16, 18, 20, 22). Mon: Maxim Vengerov violin recital (No telephone bookings pended. For information, call 051-529999)

■ FLORENCE

Teatro Verdi Tonight: Paolo Olmi conducts first night of José Carlos Plaza's production of Rossini's II

return di Single, mit Vincenza Other Dry. General Res. Ferruccio Francia www till lime 10, with atternating (055-277

GENOA

Timelin Calin Felice The hard court production L'elisir d'amore, opening Feb 11 with a cast headed by Luciana This month's programme and head and the Dawie ballet by Lorce Manager with in the by Mark Theorem (010-589329)

LONDON THEATRE

The Skriker: Caryl Churchill's strange and strong new play is in repertory at the Cottesloe with first complete British staging of Tony Kushner's Angels in America (National 071-928 2252)

 An Absolute Turkey: Felicity Kendali plays a harassed wife and Griff Rhys Jones a frantic bachelor in Peter Hall's enjoyable production of Fevdeau's Le Dindon (Globe 071-494 5065) September Tide: first West End

showing for 45 years of Daphne du Maurier's drama of inappropriate passion, with Susannah York as the decent woman in love with her son-in-law (Comedy 071-867 1045) Machinel: Fione Shaw heads the cast in Stephen Daidry's production of Sophie Treadwell's 1928 drama about an ordinary young woman who kills her husband and tries to break free from the pressures of the modern world. In repertory at the Lyttelton with Sondheim's Sweeney Todd (National

WHEN SE Elimbyte: Draits Latiness and

two-hander about university campus (Duke 📑 York's 🌃 📥 31223 An Inspector Stephen

Daldry's award-winning production J.S. Priestley's (Aldwych III) OPERA/DANCE Commit Garden The Royal Ballet presents / MacMillan's tonight and Sat (no 1111-Ballet performances till Martin 19). Tim Page Opera Inc. Dates Eva Marton, Lipovsek and Nation Gastrein (Ut Feb 17). and a production of opening on Feb 14. Opera North presents production in Balliana Gloriana next Thurs (071-240 Calenam Jaronin Miller's new production of the Rosenkavalier, conducted by Tem Kreizberg. opened last night are a cast by Anne Evans, Sally Burgess and Join Tomanson 📶 March 16). ENO repertory Die Teb 10) and Michales Hytner's production of Kanaa (till Fat) 24). Istaff is manual un Fau 17

(071-836 3161) 9-12: NA VLATurnical and Company in wall premiere di mew lector di lector choreographed by Firm Brandstrup, plus by Balanchine, Vaganova and Marsh (071-278 8916) Hall Tomorrow, Dist Carrier to many choreographies by and Emilyo 20071-928

CONCERTS South Bank Centre Tonight: Giuseppe Sinopoli conducts the rmonia in Mozart and Mahler.

with the Labeque Sisters, Tomorrow: Paavo Berglund conducts RPO in Ravel, Tchalkovsky and Sibelius, with piano soloist Peter Donohoe. Sat: David Willcocks conducts Bach Choir. Sun and Mon: Roger Norrington conducts Gilbert and Sullivan's HMS Pinafore, with cast headed by Robert Tear, Benjamin Luxon, Sarah Walker and Richard Van Allan. Tues: Berglund conducts RPO in Strauss, Rakhmaninov and Vielsen, with piano soloist Dmitri Wed: Esa-Pekka Saloner conducts Beethoven, Bartok and Prokofiev, with piano soloist Yelim Bronfman. Wed (QEH): Opera North concert performance of Chabrier's L'Etoile. Next Thurs and Fri: Simon Rattle conducts Orchestra of Age of Enlightenment. Feb 13, 16, 19: James Levine conducts the Philhanmonia. Feb 14, 15, IIII Tennstedt conducts Brahms (071-928 8800)

Barbican Tomorrow till Tues: Schumann and Friends, concert series devised by Raymond Leppard featuring Felicity Lott, Medici Quartet and English Chamber Orchestra. Wed: Richard Hickox conducts City of London Sinfonia, with percussion soloist Evelyn Glennie. Fab 12, 13: Previn conducts LSO (071-638 8891)

MADIND

Auditorio Nacional de IIIIIIII Tonight: Spanish National Chorus in a programme of Bach and 18th century Spanish music. Tomorrow, Set, Sun: Adrian Leaper conducts Orchestra of Grand Canary in works

by Falcon, Strain and Prokofiev, violin Boris Boris Tues and Thurs: Erwartung all Paris plays Inc French (01-337 1111)

MILAN

Team alla licale There are inciree and evening performances on 🔤 Nureyev production of Beauty, Georg Solt Wagner - Washington Tues, Thurs and ___ with production in Puccini's La Rondine, opening Teb 16 (02-7200 3744)

■ NAPLES

Tames Tomorrow, Sal. Print creditor and White Works by Rakhmaninov, Musorgsky (081-797 2331) Team delle Palme Tonioht Longuich piano MAN WALL ENG FOR INC. Jan Print gutter Feb 17: 84 Cm (081-406011)

■ PALERMO

This month's opera production in Maria Butterfly, opening on Tues and running daily till Feb 23 except Feb 14, 18 and 21. Kabaiyaneka, Maria Spacagna in: Havashi Bartan in the (091-605 3315)

■ PRAGUÉ

 Laonard Ballini cumilium Cover Philharmonic Orchestra tonight and in Dvorak Hall, The

(Linda Hohenfeld) and Symphony. are given by pianist Georges Trio on Lan (2011) Petr Altrichter Prague Symphony Chill and res Sun Hall in Marie by Novak and Martinu (02-232 2501)

Test Olimpico Tonight: Fone

■ ROME

Carrier plays Dealines string quartets, Mail Thurs: Anima Schiff. Tinh 17: Lim Ughi (06-320 1752) Tonight Wolfgang Marshner Gonfalone Orchestra in by Telemann, Spohr, (06-687 5952) Term Ves Sun, Mon, Tues: John Mahar conducts natificaçõeme di Banu Caste in ham by Berlioz, Fauré, Ravel, Debussy (06-678 0742/06-6880 3794) Universita La Sapienza Guildhall String Ensemble in by English composers. Feb IE: Cherubini Diami. Feb 19: Maria Wash (06-361 0051) Teatro Il Sistina Sun morning: Yepes plays Rodrigo's Concierto Maranjuez (06-5734) 4664)

■ VENICE

Teatro La Fenice Tonight Fallen Chaslin and a first of John Schlesinger's Covent production in Les Contes d'Hoffmann. Repeated Feb № 9. 12, 15, 17 (041-521 0161)

ARTS GUIDE Monday: Berlin, May York and

Tuesday: Austria, Belgium. Switzerland, Chi-Washington. Wednesday: France, Germany, Image of the Thursday: Italy, Spain, Athens, London, Prague. Friday: Gulde.

European Cable and Satellite Business TV (Central European Time) MONDAY THE FRIDAY Super Channel: Europea Business Today 2230; repeated 0630, 0715 MONDAY FT Reports

TUESDAY Super Channel: Wie of ALCOHOL: UNKNOWN Euronews: FT Reports 0745, 1315, 1545, WEDNESDAY Super Channel: FT Reports THURSDAY

Super Channel: 1230; FT Reports 2130 Euronews 0745, 1315, 1545, FRIDAY

Super Channel: FT Reports Sky News: FT Reports 2030 SATURDAY Sky News: 0330; 1330 SUNDAY

Super Channel: FT Reports 2230 Sky News: FT Reports 1730; 0430

When neighbours are not good friends

split up, and new ones unable on their fromtiers. Ethnic BOOK conflict rages in the former Yugoslavia and

in many parts of 🚾 former Union, And there certainly more Marca. Kamal Shehadi warns, in his Adelphi published by the International institute for Strategic Studies, "self-determination conflicts are likely to continue to plague the Russian many of its surrounding states, well blackans, China, India, Burma,

Indonesia, Iraq, Turkey, Ethio-and the rest of the Horn of

Africa, Huder and South Africa" In all limin places, people asserting a national identity in, or recognised by, the of which they are diseas of subjects, or at the nillens Many 🕍 them are asking 📭 a new state, w for the territory when that live in bit to another existing with with they identify. Ment always III have in by the state that the belong to, and frequently result bloodshed, culminat-

ing in the Macon displacement

a populations. This destructive of order. The flood refugees: Uni power in inches ple; the danger of tion if weapons of mass u 🛁 m humanitarian revulsion, with it impossible in great powers in ignore ille problem. Traditional are clearly inadequate. The hunt on the new approach. paper, along with Gidon Gottlieb's Nation Against State and Illian Approaches Minority Protection in Asbjorn Ride am all contributions to had search. Similar land at the warm of self-determination, and it is "a dynamic manual na an end". In His minutes In source of state sovereignty and Italia implies a limit of government". This does 📹 🖃 low automatically from independence the only

ETHNIC SELF-DETERMINATION AND THE BREAK-UP OF STATES By Kamal Shehadi

IISS/Beassey's £10/\$17, 90

NATION AGAINST By Gidon Gottlieb Foreign Relations \$22.95/14.95, 1

NEW APPROACHES TO MINORITY By Asbjorn Eide Vinority Rights Group

democracy is necesfor genuine self-government. When politics is polarised on ethnic communal lines, majority rule gives ethnic minorities no my in lim they are governed, where are special provisions in that affect. So Itsidail description much margument argument recommending will in which ethnic minorities do bigs! to mile ethicieration tion through

There is thus a management overlap in the last tool the Minority Rights Group pamphlet by Elde, a Norwegian human rights specialist.

approach is more theoretical, The last least least matic. De both make a distinction the "common affecting all citizens, in which the minority must 🛏 given an official when - and the "sepadomain". "had minorities run their own affairs through autonomous institutions. When the minority forms | local majority in a given region, autonomy take in form of territorial "arrangements" (Shehadi) or "subdivisions" (Eide), in extending to well or confederal system is often resisted by the majority, me if her that it

will secession. Shehadi we observes limit self-determination an "external" - the rist of community "to shape its ties, legal and otherwise, with other political entities.

international organi-

This thought is taken further by Gottlieb, a US lawyer.
divorcing
nation from peoples ibit their own recognised such with an international status". Such

even, Gottlieb suggests, he associated with a "national home", which would are mener mielleh enrum tilete boundaries. An Irish national home, for large proframework | all-Irish untimetal authority. with authority common results in republication in the common results in the common republication repu was in the North was the b 🗯 included", but "would not majority". Security and remain a Britin responsibility, but "it arrangements W Lambu jurispolice matters, le example, is the limit of submunicipal levels".

Tail ancomfortably early Land Gottlieb, to do bin justice, and claiming to have been the whiting to me I as Market and complex as merely suggests a general approach with might help solve such conflicts, if when use parties we genuinely manifestati to illi ma.

The same of this approach be the self power the self have to wested in single sover eign main Power was be distant in functions and dis tributed areas millionet authorities, will overlapping jurisdictions - already hap-pens in the domestic affairs of most states. Such ideas are valuable, but more likely to work before violence breaks out, or when there has already been a longish period of peace. The power of the gun is the least easy to share, and the scope for ingenious powersharing arrangements is much reduced when people are genuinely in fear of their lives. All Unit marting is Lenin's question, "Who Whom?", or Humpty Dumpty's "Who is to

Edward Mortimer

THE FT INTERVIEW: Sir Patrick Mayhew The stage this week has been held by Mr Gerry Adams.

Long haul across Ulster's quagmire

of the UK. But it would not stand in the way of hish unity if that was ever the democrati wish of a majority in the north. As Sir Patrick put it: "Each government has shown that it nderstands and accepts the validity of the aspirations of each side in the divided com-

ments would give impetus to efforts to reinstate

administration | | | | | | | | |

co-operation between north

Sir Patrick will table within

two weeks an outline plan for a

new political settlement. The

plan – to be presented to the Ulster Unionist party, the mainly-Catholic Social Demo-

cratic and Labour party and the non-sectarian Alliance

party - will centre on a new

It will also include proposals for a number of cross-border

executive boards with respon-

sibility for such areas as tour-

ism and the environment. Rev

Ian Paisley's hardline Demo-

cratic Unionist party will be

Together these proposals

invited back to the table.

devolved assembly in Ulster.

and south.

propagandist.
So if the public reaction of the UK government to President Bill Clinton's decision to munity ... each government has agreed that the future of grant Mr Adams a visa has been restrained, the private Northern Ireland will be decided by the wishes of the anger has been real. Efforts to people living in Northern me the matter in Worthern easily along appeasement of Irish-Ireland. And that is terribly important. Americans in Indian and Man The republican charge that

trip has done nothing to change the realities of a constrip or Cyprus, where people are denied access to the ballot flict which has claimed more than 3,000 lives in 25 years. Despite Mr Clinton's decision Even as he was appealing in New York for "peace", the IRA fired a 150Ib mortar bomb at this week, Sir Patrick is convinced that between London and Dublin on the British troops. Nobody was killed. But it will not be long province's future will lead to ressive international isolabefore the bombs and bullets from loyalist as well as repubtion of the IRA. lican paramilitaries Meanwhile, the two govern

His visit to New York was a formidable

coup for the man who has long

ultimed an image m

ism. The often naive questions from the US television inter-

viewers who feted the presi-

dent of Sinn Fein during his

48-hour trip to New York were

a gift to such an accomplished

in any event Mr Adams's US

more names to the death roll. Sitting in his elegant office in Belfast's Stormont Castle, Sir Patrick Maynew, the Northern Ireland secretary, was concerned with these realities

in an hour-long interview he insisted the Anglo-Irish declaration signed in December by Mr John Major and Mr Albert Reynolds, the British and Irish prime ministers, would in the end provide the basis for dura-

Sir Patrick refused to speculate publicly on the odds of an early end to the violence, but he gave the impression of a man preparing for the long haul. Intelligence reports on his desk almost certainly conhawks in the IRA have decided for the time being to put internal unity shead of peace.

Sir Patrick's message was make up strands one and two that, whatever the IRA does in of the so-called three-stranded the short term, the joint princisearch for a comprehensive tion are inviolable. three, as it is known, is con-

The two governments had spelt out that Ulster could not cerned with updating the 1965 Angio-irish agreement between the two governments. coerced into a united Ireland. would Sir Patrick cleared up once on m of m "perand for all the government's suader" in seeking to break the province's links with the rest position on Mr Adams's



You Andrew Northern Ireland secretary Str Patrick Maybew: "Delicate process

tion, negotiation (call II what you will), W I Downing Street text. He will not get it. Mr Adams wanted a place at THE REAL PROPERTY AND THE REAL PROPERTY. stopped iii killing: "It iii entirely clear what he wants is a renegotiation of the declaration...And we are not going

'Sinn Féin have the key. The key is this: their ability to give up violence

There was "a place and time for negotiation about the future of Northern Ireland - its status and everything un to do with it. That place and time is during the talks from which nobody is maintain except those who say: We wish actually to in arguments with bombs'

Mr Adams knows it and, in Sir Patrick's judgment, is playing for time. Nor will a temporary truce negotiate with Adams or any one else unless and until they have permanently ended violence or permanently ended the justification for violence. I have made that clear time and time again. So have the Irish. There is no daylight between us on this."

The reasoning is obvious: "If you negotiate with people who united Ireland ... in tinuing violence) it would undercut fatally alist politicians who accept the disciplines of constitutional politics." For other nationalist politicisms you can substitute Mr John Hume, the SDLP

It is Mr man allies, nal In British government. who have it within their power to bring peace. "The right analogy seems to me to be this. Sinn Féin have the key. The key is this: their ability to give up violence . . . if they put it in the lock now and turn it, consequences follow which have been spelt out." But either way the declaration will remain on the table: "The lock is not

the will the two governments allow Sinn Féin E paralyse the for a political settlement "The joint declaranot substitute for line point accurastitute for it."

So after months in tortuous negotiations, in Patrick in what "frame-ideas" agreethe province's constitutional parties on strands one and utrand two.

He II under no illusions V will rapid: "It's a slow, pragmatic pro-cess." previous attempt in secure agreement broke down in acrimony in 1992. For sions will continue on a bilateral with and party.

The Unionled by Mr James Molybly but they not Dublin. The DUP, which walked out of tion, has yet in the colors join discussions.

Mr Molynesux must kept on Mr John Major's government depends upon his support. 🖿 Sir Patrick 🖫 adamani Ihre can in nothing in strand (structures for cross-border co-operation) demn u representing joint authority London and Dublin over in in the prov

But the constitutional nationalists represented by Mr dembilian if H is writed into co-operation laser North and South. They must be given something if they are to sign up to an assembly. And so on -the complexities and complications are endless.

It will take months if not man a malla striking the tance of an agreement. The whole could yet suspicions which scar the politics of Northern Ireland. Holding the present alliance with Dublin will not be easy if the IRA continues its campaign.

But in Sir Patrick's view there in no other route. For all his success in York, Mr Adams, identified in in the IRA struggle which the Downing

Philip Stephens and Michael Cassell

UNUSUAL NAMES OF THE BUSINESS WORLD

No 17: CANTRADE INVESTMENT MANAGEMENT LIMITED



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LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

The flaw in local government argument

Pearson and Ms K 1 Sir. Your leader, "The politics of local government" (February 2), accurately assesses many of the reasons why there is now so much hostility, both within Westminster and throughout the UK, to the local government review. There is no doubt that the business community is horrifled by the proposals emanating from the Local Government Commission. There is equally no doubt that council taxpayers are becoming increasingly concerned at the costs they would

have to pay. However, your suggestion that halting the review nationally and limiting changes to a small number of areas, including Cleveland, offers the "best exit route" is indefensible. Such a move would almost certainly leave the government open to yet further legal chalA most is the myth, regretably repeated in your comment, better better "new" ====== such as Cleveland have "failed to win popular support" and, by implication, are therefore prime change. evidence of the Mori polis meried out for the Local Government Commission, the level of public identity with Cleveland actually higher the so-called "traditional" counties, including Lincolnshire (where the manufactor is mo-

ommending the county districts), Glou-Derbyshire. in "user satisfac tion", a opinion poll and by Hard line in the

Marie I m less Man 79 mm cont of middings millions from services. the highest figures recorded he That we do

cost-efficiency and has the support of local people. A unified Teesside, with a second authority to recognise the unique sense of identity in Hartlepool, is the only option which can deliver those essential require-ments. Teesside, by the way, enjoys an man higher way. public identity than 🖿 Yorkshire Ridings what it being

proposed by the commission. It in business, education, voluntary and thousands Instead it a costly, inefficient unwanted division of in England's mainland county on existing district boundaries. Your leader warned against "unviably replacements". - that

On the proposed. and estimates, disastrous proposal would involve transitional between £13m and £18m, together with additional running up to line a year compared with united Teesauthority.

It would it disgrace if this were imposed on ITI local munity at the same time as the was being delsewhere. The of the ple of the should not be simply in order m Paul Harford, leader, Labour Group,

Hazel Pearson, leader, Conservative Group, Kay Kirkham, leader, Liberal Democrat

Group,
Cleveland County Council,
Buildings,
Middlesbrough, Middlesbrough, TS1

No train to Normandy

From Mr P M

O'Connell-Davidson.
Sir, Re Michael Thompson-Noel's Hawks & Handsaws column ("Tunnel of sighs" January 29/30), polar bears might well have strolled from Normandy to Kent during the last ice age. However, it is highly unlikely that the TGV, en route to the Channel tunnel, and at any given speed, will ever reach the Normandy

The French tunnel terminal is at Sangatte, which is in the "région" of Nord-Pas de Calais. wishing to stroll at drive directly Kent in Normandy should 🖿 all 🖿 to wait for the next ice age. F M O'Connell-Davidson, 664 rue de la Marie 60650 Ons en Bray.

prayers

Front Mr. Hallion Ballions. Str., Tardily.
cally. I congratulate your inspired article, (Janu-

ary 15), by Hugh Dickinson, Lane Salisbury. The brilliant summation 1 systemic miles a the Thatcher The and he call he the "miles reconstruction" of society I half III in selling evening political masters, especially in the Catholic, in John Patten, in striving in hard in destabilise un democratic checks in the education service.

Sullivan, 12 Politica Grove, Merstham Surrey RH1

Crucial word missing on China

on the fortunes of Chinese industry interesting ("Long leash he runaway economy, Famur 2) ii to miss out key Ill are we still at 🔤 🚐

From Mr Kelth Flett. Sir, While I hand your where are only criticlse the countries with which we

de rue wish in do busi-Flett 58 Road,

Essential for | A risky strategy and threat to Japanese partnerships

From Mr D W III distribute Sir, Bur acquisition and imaginathe strategy is hit the birds with me war acquire Land Fine til technology, products markets, and Honda. If Rover can Buccessfully assimilated it will be However, II to be that research demonstrates

strates, and experience in this industry than confirms, that M success me mergacquisitions in no betthan one in man Also, BMW has got to mean it today by in manof organic growth, not

through acquisition. Time will tell if BMW's top management fully this, its first, acquisition without squander 🚂 🔚 opportunities 🗓 clearly presents doing damage Land Rover, one incontestably

DRG Andrews, (chairman, Land Rover Group 1982-86), Gainford,

From A. C. Doubles Sir, British Aerospace may well crowing at the Rover BMW. Corporate Britain, however, apprehensive.

Corporate Japan views its long-term corporate partnership arrangements very, very seriously and Honda has surely honoured III part in the from a tt stands

It may be long any other corpogiant in Japan signs a similar, so-called long-term partnership agreement with any other flagship of British indus

try. A G Foulkes, 11th floor, Road,

From Dr N N Dukes. Sir, What people be forgetting that Britain still, 90 years, building the best car in the world.

Thank hear for the people Crewe. of Medicine, University of Groningden, Gerrards Cross, Bucks SL9 8BA

FINANCIAL TIMES

Number One Southwark Bridge, London SEI 9HL Tel: 071-873 Jou Telex: 922186 Fax: 071-407 5700 Thursday February 3 1994

Europe's next flashpoint

With IIm election of Mr Yuri based on its territory are pointed Meshkov as president of Crimea. Ukraine has another the of the Crimea in relation 🗷 Ukraine much in the enclave of Knin did to Croatia in Line For Serbs, read

Mr Meshkov, an ethnic Halle like III per lamb of the Crimean population (a figure ominously to the 73 the the Sunday), favours reuniting Crimea with Russia, from with it was severed administratively when Khrushchev it to Ukraine in 1954, and politically into its Union broke republics at down his rhetoric on this point, to with the Ukrainian authorities, but is still planning to hold a referendum im March on "an independent in union with other states", move which regards unconstitutional

Ukraine has brushed in alless minorities, including Russians, 🔟 🕦 Serb minority. 🖼 far 🖦 elsewhere in land in not potential he dad is very great. If Mr Meshkov 📹 🖿 🖛 up his 💶 militia, 🔳 🛮 Ukrainian national guards try in stop him Black in Sebastopol might all had easily become involved, as other Russian units in comparable struggles in Georgia and Moldova.

Underestimate

The previous Russian partiaiaid formal claim to Russian territory, and the new one is hardly likely to be less nationalistic. Indeed, few Russians of any political persussion seem to regard Ukraine's independence as serious or permanent. Most dangerously, many seem to underestimate both the capacity and the willingness of Ukraine's armed forces to fight.

Talk of war "between two nuclear powers" may be excessively alarmist, since Ukrains is not really a nuclear power. The ex-Soviet strategic still

Moscow, if anybody. Even w war between Russia and Ukraine would be a much more serious affair than the wars we have 🛩 far in Moldova, Transcaucasia or THE Yugoslavia. It could involve large causing hundreds of thousands deaths and many millions of refugees. It would create a feeling al insecurity throughout central Europe, and almost inevitably beginning of a and the - cold war perhaps even more dangerous it the last,

Ukraine's frontiers

openly leadership.

Western governments should be doing everything possible to avert prospect. An outright guaranagainst line to line hardly but they should make It How they washi not turn blind an any violation of Univided installs Rusin regil repeatedly recognised frontiers - recently in the tripartite and Clinton, En and Yeltsin on January 14, under Ukraine are Intervention by the Black or my other Russian units in Ukrainian fighting clearly infringe that agreement.

in Crimes the the control of the con could in preventive deployment of UN forces. Such a deploymen in Managarana

would also have to make it very clear to Ukraine that western support is conditional not only on the Ukrainian parliament ratifying the tripertite agreement but also on it adopting policies with can units Ukraine's people, of nationality. July a chesty of that hammer if be status in Mana produce a parliament in while water nationalists and eastern economic reformers work together, accept ing that Ukraine can be independent and yet retain close economic and cultural ties with Russia. The moderation forward Andrie and Germany provides a possible

A better deal for car buyers

Item lasues excite flercer franchised dealers, which provide controversy be European in any case to perform no better than independent workings of the new market. garages. Nor does manufacturers' workings if the new mer market. This month, battle will he European Comconsiders whether the industry's distribution arrangements should exempted from EU competition

Lurke

Jera lite will

The current nine-year-old system, im m expire and year, makers degree d control war thirt which made illegal in discindustries. They free dealers they supply, in the land dealers they and lie number if they sell, and in prohibit them stocking and brands.

Car manufacturers want the system extended and age to support if Mr Martin Bangemann, the European industry commissioner. They argue IIII arrangements are necessary in persuade for the in sales promotion and in the facilities provide after service and maintenance.

Wr Bangemann also has his own agenda. The industry's tight grip on distribution and a convenient way of administering the III "transitional" curbs on Japanese by keeping deliveries to individual countries within agreed limits. M effect, Brussels preaching a single market while allowing it to be segmented by the

Aligned against the system are Commission's competition and groups, which argue that the trust la car buyers far benefits. In spite of efforts by Brussels to simplify "parallel imports" across borders, mile say the distribution arrangements impede trade and perpetuate price differentials between EU members.

Greater choice

in weighing their decision, the two points clearly in mind. Use is that the existing arrangements look archaic, is best. When U emphasis in retailing on greater and convenience, it hard justify "exclusive" dealerships restricted 🖿 🚥 brand.

The much-increased reliability of modern also weakens in another lifebelt, but ing them were used in swim.

defence of the dealership system square with their increasing tendency to sell direct to find sand - a practice inflating prices for individual buyers.

The point is that conditions in the European are industry changed radically the Competition grown much flarer and the pace of restructuring and product innovation is accelerating. Furthermore, Die EU is committed iii a barrier-free iii Japanese III and due in a abolished.

Biggest anomalies

It against this perspective that the unit of the arrangements should injudged. Any further exemption him competition not beyond de of He had and should modified in modified anomalies.

The exclusive dealership provision. There is a for requiring But this is best achieved by set-ting objective and obliging manufacturers in supply

dealer who into them. Another positive p would be allow distribution and will le performed separately from servicing. The main argument keeping them integrated in that it enables and discross-subsidise Returns the face hellwise - a practice and obviously to consum-

ers' advar-Finally, the Commission should its efforts to encourage "parallel imports" really bite. These provide the strongest incentive move towards III harmoni of prices across In EU which will follow from the

ation a a single market. Manufacturers will undoubtedly protest against ... change in the existing system while they are beset by weak demand, excess capacity and impact violent currency fluctuations. However. the Commission should make it that Har long-term interests best served not by throwing another lifebelt, but 🕍 help-

Reserve chairman, has the world notice. It is no longer a question of whether US short-term interest rates are going Up the most

By referring on the current rates "abnormally low" and by talking of the need to move to a "more neutral stance", he may appear in the his options But for Mr Greenspan, a master of language, this was clarity itself. In congressional testimony this week 🖿 was sending the 🐃 👢 House and financial was an unmistakable signal. 📭 📭 first time in five **recei** the direction of US monetary policy is changing: the Fed, the US central bank, is preparing the ground in m increase in short-term interest

The discount rate was raised from 6.5 per cent to 7.0 per cent in February IIII The key federal funds the the which peaked 🖬 just under 🔳 per 📺 in March 1989. By the summer of into recession, the fed funds had been cut to just over 8 per cent.

The following a sharp decline in the state of the state o with the discount rate - the largelysymbolic but all with least borrow into the least and the least funds rate falling to 3 per cent by September 1992. not moved II - In longest period of stability since

But nothing and the This April will mark its trim and the sary of the end of what was, in retrospect, mild mild The growing strongly. In the Europe quarter of the year domestic product an annual rate of 💵 per cent. Nobody expects that supercharged rate of expansion to be sustained.

Indeed, in the short run, the Los Angeles earthquake and exceptionally and water but ment my artificially depress spending and production. We relevant in the Fed is that the annual sels of growth was averaged nearly and per slackening, the recovery still appears in gaining momentum the benign with of lower long-term interest spread through the

But why should the Fed regard robust growth, in itself, as a pretext in raising short-term labour Isn't Bill Clinton right to argue that, since inflationary pressures are subdued, there is no need to tighten monetary policy and risk choking off the recovery?

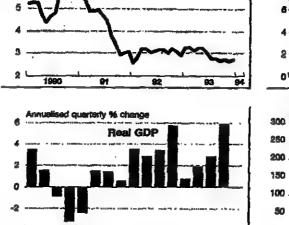
The Fed concedes that inflation to date has been well behaved. The "core" consumer price index (which as food and energy) was up only 3.1 Today, US banks are the prof-as food and energy) was up only 3.1 Today, US banks are the prof-cent prof-cent prof-in the prof-two

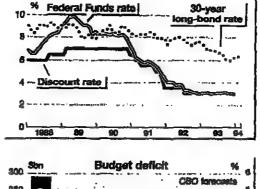
'Twere well it were done quickly

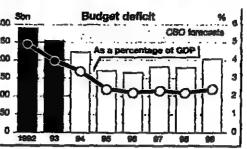
A timely increase in US interest rates could safeguard long-term economic growth, says Michael Prowse

US economy: interesting times

Annual % change in CPI







between the fourth quarannual increase dim un early The fixed-weight (a and probably guide underlying inflation) rose M an annual rate of just over R per cent in the second half of last year. Unit labour costs are also rising a mail the rate, reflecting Ibe positive impact of unusually

atrong productivity growth.

Mr Greenspan not regard as arms inflation as a an appropriate monetary policy for the property first, interlevel of | per cent - effectively mo in mu hums - Dr u specific reason: in em enormous and on the balance sheets of banks, compa-nies and households following an server almost in build-up at their in late Illia as subsequent weakening of real blan prices. For a couple of years, the financial health of the M banking system was in the balance.

prudent levels, Companies households the their again. It is difficult in argue itse the monetary accommodation essential during the "crull crunch" appropriate.

Mr Greenspan's argument higher inflation is a indicator. He told Congress: "By time land evident, many imbalances that costly in rectify have already devel-oped, and only harsh monetary therapy can relie in financial stability necessary in making growth. This situation regrettably arisen = in in past." In words, the Fed was to stay ahead of the

Mr Clinton's observation inflation in not now a problem is thus bend to point. Since changes in monetary policy talk and period of 12-18 months, the Fed has m unusider the national for inflation in the second half if next If growth continues for years, capacity constraints probably will be biting by then, causing quite strong upward on a domestic prices and wages, regard-less of what is happening in the rest of the world of the world.

This could be so even if corporate restructuring the the lang-term potential rate of growth. Conventional estimates suggest the potential growth rate is 1111 cent. This may be too pessimistic, but no credible forecaster believes It capacity is thus disappearing.

If the Fed does tighten policy, it

will not be trying in this off what many observers (including Mr Greenspan) the the promising long-term economic outlook in two or three decades. The US is enjoying a spontaneous business-led recovery. Because the federal budget deficit was so large at the end of the 1980s, fiscal reflation was not an option for either the Bush or Clinton students Private capital formation rather

sumer spending is thus the cut-ting edge of this recovery. Last year business fixed investment rose per cent in real terms - and it was not all computers. Excluding com-puters, investment rose per III II real IIII Since the end of the recession, investment has contributed | larger share of economic growth than in any upturn in the past 30 years. The restoration of "animal spirits" 📶 📶 📶 decline in long-term interest which in turn reflects im drop in inflation expectations since the late supported by the Clinton administration's 🍱 📹 to cut 💵 federal

The still imponderable question is now soon in how aggressively the Fed will raise One view that Mr Greenspan would sent so that a signal if the Fed not planning early action, perand tomorrow of the Federal Open Market Committee, the Fed's policy-

ut Hr consensus view on Will Street is that the Fed will not act until March w April. Long-time observers of the market, such in Mr Henry Kaufman, believe Mr Greenspan an immediate justification 📑 action and is in only is early of a proper is "conditioning" 🚾 politicians to the 📥 for higher him De the view the Fed will be the further warnings and quite possibly delay action until well into III second quarter.

Since in infintion is slight, it seems safe in that any increase in rates will be gradual. Mr Greenspan was a "gradualist" during the recession, favouring quarter in half-point run in man in likely in favour the Man strategy on the way up. And his influence in timing may by the vacuum created by the unexpected resignation this vice-chairman. There are now two halfha in the Vida property ber board MI Mr Clinton II notoriously making appointments. The state of the increases, of course, will depend an trends in inflation in in real economy. short-term rates will rise to 4 per

card by the said of the year and a per tall by II.e and el 1995. prediction seems safe. The sooner the Fed acts, the smaller will in interest in this economic cycle. This 🖢 because early action would nip inflationary in the bud. If timely, the impact on long-term rates and hence business in will in modest. And the healthy expansion now

A perverse loss of local knowledge



INVESTIGATION AND the fact that it is PERSONAL vise wielding of that

centralised power... [so] the greater the gain in power, the greater will be the loss of knowledge"— Str Karl Popper, philosopher, The Poverty of Historicism.

It is a nice irony that the in per's greatest described should now be so deaf to his injunctions. It was one such, Michael Heseltine, who in 1979, when he was make smert excretary, pledged "to tiregovernment". But 14 later, with the partiament, and shifting hall was hall with hall, let a system in Europe.

Communication in the pushed through Commons today will

holistic turn is screw as still to a mathematical formula. The is cumbersome mafficient and unfair. It has led to the

priming has of services and lobs in many boroughs, particularly those in urban areas, which have had their budgets well below the limit necessary to maintain a decent level a service. But there are also councils

budgets have levels which local manufacture - and - thought appropriate. In January Embridge
District Council in Surrey, capping system as "joke" which encouraged two is spend up". He will "If the would probably spending

M Popper said, the greater power, ille greater will knowledge. priorities should in every community budget control, ili judgments // 3 - - -As All compacts being to be rectand

But there are no data, and there is no algebra, which can do this fairly or sensitively. Trial and error is used, producing the most prepos-terous results. Oxford is declared to be more deprived than Liverpool, Bournemouth has worse social confrom then Barnsley. The formulae are then "massaged", "damped",

Budgets have been forced well below the level necessary to maintain a decent level ul service

and leeway has to be built in in avoid, in particular boroughs, nelt-down in public (which not even security contemplate).

It all with stunningly resident of little incomes policies, so despised today. In place discretion, or negotia-tion, and a national "going rate" Sarah Whitehouse, a the Conservative but the case is as strong as ever.

October, put it: Second, tax base shoul be broadened to include revenue. between Land Tory." the overall effect on

public spending is ____ In the ____ Tony Travers, London sales of Sconomics study, budget capping is "led in higher spending by councils, the opposite result to that intended".

84 what should replace this apology for a system? First, central gov-cease trying to con-trol the councils spend services from the said tax tues for fire ago, this was John Major's policy. As the then the Treasury, published the quaintly titled "A New Public Expenditure Planning Total". In this, that mixing government spend with local counexpenditure "blurs" of various gates". So he proposed that, in future, Treasury's planning total should include only central government grant in councils, and locally raised

Second, tax base should from the business Today, the council tax raises just from of total spend. Third, central goverument council should be in limited.
Fourth, annual elections, with a

third of councillors retiring each year should be introduced in every council . London local democracy is 🖿 📖 effective than in, where an election in never more than away. Annual elections would produce greater

continuity and stability in councils.

Then the electors would able to come power, all knowledge. with knew or bond man local councils' expenditure. he would probably find time its trend was lower than if he had until treed to interfere in it.

Jack Straw

The author is the UK shadow envi-

OBSERVER

The wisdom of Salomon ■ Long-Term Capital Management, limits high-tech US money

management firm led by trading de John Meriwether, has a la fish in David Mullins, the LTCM is currently trying in intelligence

billion from investors to trading complex financial instruments, the fancy computer-driven arbitrage working a team ex-Salomon mathematical geniuses with mirror were marked during the and early 1990s, while generating huge profits for their employer. Vastness of salary is believed

to be one of LTCM's attractions for Mullins; he clearly needs a raise after surviving on his meagre \$123,100 Fed annual salary.

The Mullins recruitment has nevertheless raised some Wall Street evebrows. The reason is that Meriwether was one of the top managers at Salomon forced to resign in 1991 for failing immediately to report to the authorities that they knew their traders had been falsifying bids in billion-dollar Treasury bond auctions. Among those authorities not informed was the Fed - where Mullins was already working. Maybe Mullins has jumped

prematurely - LTCM has yet to open for business. It's hoping to have raised its first \$1bn package by the end of February provided that it can reassure potential investors that it can earn its reportedly generous fees.

Spin dried

This really hasn't been Hoover's happiest 12 First resolutely itself into a public relations disaster over its free flights fiasco - there are thought to be as many as 200,000 disgruntled UK = 7

And as if that weren't enough, the Consumers' Association now reckons that a Hoover washing machine is twice as likely to need repair in its first five years as the most reliable brand on the market, made by AEG. Maytag, Hoover's US owner, must know what it feels like to be hung on the line.

Pick 'n' mix

What joy it is to belong to the Church of England, where theological beliefs are as easily replaced as a pair of trousers. Clearly Durham is the place, if one wishes to be at the cutting edge of conviction.

Recently we had the Right Reverend David Jenkins as Bishop of Durham; he told us he did not believe in the resurrection - though it was "much more than a conjuring

III an end of the special

relationship commemorative mug

trick with bones" he thought. Now we have as his successor the Right Reverend Michael Turnbull, who says he believes in the resurrection and Virgin Birth but not the Three Wise Men. He's also not sure about eternal damnation. Presumably he will wait and see.

Salty dogs

■ When you make a television documentary about the Royal Marines, the language is likely to be on the strong side. Westcountry's series - Commando - was larded with expletives, but I was originally shown at 10.40 pm on regional TV, it easily passed muster. The problem comes then tive programmes are broadcast before the witching hour - 9 === - when children are deemed

policy months,

The ITV network now plans to show Commando nationwide. starting on February 17. But in order to put it out in peak family time - 8.30 pm - Westcountry had to cut the blasphemies and bass; so many of them were required that the commandos sound like little lambs.

Now ITV has unexpectedly rescheduled the series to 9.30 pm. when military bluntness is once again acceptable. So will our butter boys see their own rich dialogue restored? This calls for strategic planning ...

World servicing

BBC World Service, which has probably reported than anybody, seems on the brink of one of its own. Sam Younger, M. been given the new job of director in broadcasting. Moreover, the World Service is about to be split into six regions, replacing the current divide between them who was English and those who don't.

The intention is to make IIm service more user-friendly. Maybe fans will no longer have in his ■ M 3 am m catch # mm=m4 programme. Even so, some old

World I will hands see III I of giving land want, they want it, as a 🚾 🚾

commercially minded. Younger - who will number two to BBC World Service managing director Bob Phillis should be able to handle any flak. It runs in the family; his MAN was Labour MP Labour MP while cousin, Royal Bank / Dadie chairman Younger, is a former

My word is my...

■ Lithis a case for Sweden's consumer The most prestigious III the country's banks. Skandinaviska Enskilda Bank, which just ■ year ago was on the verge in having in call on the in rescue it, is running full-page advertisements in III Swedish newspapers urging the public to

buy 🍱 own bonds. "Bonds," runs 📭 text, "are 📭 safest way there is of investing your savings." Fair enough, if gilts or mortgage bonds. But should know that an incorporate bonds only as safe the company which

Hold on

■ What do you get if you dial 666? The Australian police.



FINANCIAL TIMES

Thursday February 3 1994



UK seeks to regain initiative on N Ireland with new peace plan

By Michael Cassell in usual and Philip Stephens in London

The British government will within the next the man bring forward Inell proposals for a new political in Northern Ireland in the initiative from

the government stepped up its it is limit the impact of this week's highly publicised visit to the US by Mr Gerry Adams, Sinn president, Sir Patrick Mayhew, Northern Ireland secretary, put forward fresh line for ince and formal mechanisms cross-border co-operation.

Ill Patrick, in un interview with the Financial Times, repeated in invitation to Féin exploratory exploratory sions william three months of permanent end wiolence.

But he strongly rejected from Ulster politidragging its in on the parallel Ille said the Wille was "alive and well" and ready to move into higher His remarks arm amid grow-

ing signs 🖬 impatience 🕮 Sinn Féin's position III Mr Albert Reynolds, the Irish prime minister. 🖿 said yesterday: "I spent some time now in giving an abundance of clarifications and I think the time is coming 🛋 i expect 🕍 📈 🛶 in return".

Sir Patrick emphasised the planned for political would simultaneously involve tanh im a called "atranh one" discussions - m internal political arrangements for the province - mil man the relationships between the province and la Irish Republic.

The province's constitutional parties www wanted to see "focus direction" given m mile which is had been exploratory and disparate, he said.

cussions suspended at the end of talks, he added, not yet by by participants. The hard-line Unionist party, by lan Paisley, has and it will not rejoin bilateral or roundtable if meetings

Labour party.
The devolution plans proposals for a me assembly, which has already attracted agreement Interest parties. Br Patrick emphasised that birth governments men milde to see a return to devolved government in use prov-

tinued between Sinn Féin and

the Social Democratic and

But be also sured is meaning personal that make short return border co-operation, including possible muttle near of new executive boards, would not involve my joint authority. Ile said: "Joint authority --- Northern Ireland I not on at all.

Northern Ireland are going in to joint authority."

He emphasised, however, there warm many opportunities acting together in such as tourism en un environment. Formal Property could be created, he said, which would not impinge sovereignty in the degree". But is refused to put any timescale on un talks, claiming a hurried approach would be counter-productive.

Downing Street yesterday

today of laying a screen and and hoods". It Bill Clinton's call for Sinn Féin to support in joint declaration, which it will showed the De administration going in by Sinn Fell It was the clear in president's followed lobbyand Washington

Mayhew interview, Page 13

THE LEX COLUMN

Buying Europe's silver

privatisation

British investors, it

not surprising they are rushing to
jump on the European bandwagon. The level of subscriptions to the privatisation trusts launched by Kleinwort ment small investor frus tration at the low return on cash and the difficulty, which evidently large institutions, securing an allocation of foreign

European governments will have to offer attractive prices to get their sales away. Even £1bn of UK into insignificance beside anticipated sales of up to £100bn. But the new trusts will not be able to make huge in en les new not even try when the allocation pro-cess uncertain. Their approach much on whom that privatisation limit tend 🛍 outperform for 🖚 🌉 efficiency gains are realized It then makes are for trust manages to buy minds the

That, though, The Un question in selection. UK investors who focused Rolls-Royce, and, until recently, British Aerospace, will not an enjoyed outstanding returns been privatisation. There will be dogs elsewhere in Europe too. Nor, given retrieve continental labour laws, we efficiency gains come through as quickly in Britain. one-way but The point may be much remembering if, seems likely, they

Renault/Volvo

Man the arms and w their plans, it was probably much to expect Renault and Volvo to maintain the connections established during their courtship. The more ambificus collaboration schemes have already been abandoned. Renault's partial sale of its stake in Volvo begins the severance of financial ties as well. It is not yet clear how far this process will go. Disposal of its stakes in Volvo Car and Volvo Truck will be complicated. So will Volvo's disposal of its 20 per cent stake in Renault. Once the disentanglement has started, however, it makes sense, particularly for Volvo, to see it through.

Volvo's shares have risen sharply on relief that its recovery prospects will geurs, it was curious that QVC chose not be diluted by union with a Renault increase increase in the same of its

T-= Index: 3520.3 (+38.8)

1989 90 91

bogged down by the continental Eurocycle. Volvo's main Sweden, III UK and US growing. With the benefit of the krona we wallen and its own and cutting, it can look forward to profits that do not make yesterday's close of Kr692 look expensive.

The shares have also been driven by the view that a policy of focusing on will also will the dispose I will into which it has diversified. For now, that may immed to rights Volvo, though, the state indefinitely. If Renault is not to be its autopartner, E needs a clean to find another one. Opponents of the merger used to cite BMW as an exampany with a limited model range. In buying Rover, even BMW seems to be admitting that scale is important.

Paramount

Paramount's immaculately timed profits warning should help focus the minds of investors now that the final bids are in. Whatever the longer-term Vlacom and QVC, Pertagner's start-own prepects fall well short of the mountainous price either seem prepared to pay.

of hits continues, with Addams Family Values and the Major Dad television show failing to capture the imagination. The marstrong rally in QVC shares once investors decided its bid was inferior.

offer from \$92 share to \$104, rather than matching Perhaps it was stretched, though it seems more likely that it is relying on the element of its bid to That could be a mistake, as Viacom offers some guarantees for the will of the portion M H bid.

However, even "final" bids may not be final, since the fiduciary of Paramount's directors them in the further And with the bids so finely balanced, neither QVC nor Viacom may have a majority of his many by the deadline hal happens in five-month will drag on. Perhaps then liti-gious US may look fondly at two-month sprint the UK system. UK while, might wish that their informal put the me in mainter shareholder

Retrait to Comme

Physics.

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Pyffes to encape.

News Corp (0.05) (1995) (1997)

Financial Times

Euro Disney

Euro Disney's first-quarter holders. It sunshine for shareclimbed W FFr553m. And although Euro Disney was chopped costs, pricecutting has not yet pulled enough visithrough the Magic Kingdom's doors to prevent revenues falling 12 per cent. The auditors' report sioned by lending built seems unlikely apportion in blame. So lenders will have to devise their own approach to dealing with here III already win patience and are will ing well below par. The growing resamong holders - Euro ney's FFr4bn convertible bonds another complication.

Only suspension of Disney's if wall Disney's posturing to be believed, there remains a Cura that France's "cultural Chernobyl" melt down. At the flural of ers can massive IIII The mooted Il rights would probably require for a first of the in issue. A debt-for equity swap further dilute in first. The is that will will any longer-term benefits accruing in Wolf Dieser Thread | Up alties and management fees. That may learn and card parting appeal in shareholders to take up their rights. Alternatively, the banks may choose in underwrite an unattractive rights issue in swap is debt into

Clinton to rule on Vietnam embargo

By Graham In Washington

President Bill Clinton said yesterday he would decide within it is days' whether is lift the 19-year-old US embargo Virtually all Mr Clinton's advisers ureing him in

trade links Mill Vietnam, and the US Senate last week backed the president by voting heavily in favour of a resolution urging an end to the

But to do would mean incurring the hostility w veterans' organisations and groups minsenting I familles of servicemen listed as missing in (MIAs) during the Vietnam war. Mr Clinum - to the im m many vice in Thursday

The University in the person sus a slow journey treatment normal with Vietnam. The Irra administration of the ihe Hanoi government ■ "roadmap" linking manuful all diplotowards the establishment it a peacefully alternative government in neighbouring Cambodia and full accounting for MIAs.

A Cambodian government is in place - fulfilling the line and final of the line roadmap - and Vietnamese has lifted its embargo, seen in three,

co-operation in tracing the of MIAs has been more ient, according to the US taskin Vietnam. But the US still

resumed normal economic and diplomatic relations. by phase four.

The roadmap policy in maisation while by the Bush administration intended in sures the charge that we always moving goalposts for normalisation. It would unfair, and beneath the dignity of the US, to do so again," said Senator John McCain, a decorated Navy pilot who was ■ prisoner of war in Values and was M the leaders behind was senate reserve

Mr Clinton last year dropped opposition to Vietnam's reinexcepted as a promise of the Monetary had and the like and US nies are now allowed to bid

reached and that applications may be scaled back. The basis of allocations will be announced

fund. Its and that streets and

buying during the initial selling immediately

a profit - was not an important

part of the and strategy.

London Market, Page 25

would be longer letter

projects sponsored by multi-lateral development make than 30 km opened the in Hanol or Ho Chi Minh City. III companies am champing al

the bit Japanese, South Kor-Australian and Trumb outpetitors take advantage of what many see as potentially one of Asia's not promising and the But businesses bulling

there is at if time to with up. "American matter have clearly been disadvantaged by in embargo, but Vietnam has not fully taken off. It is not yet an opportunity lost," said Mr Gregory of the Institute for Finance, a Washington that provides analysis to member banks in 38

European privatisations help boost UK investment trusts

By Bethan Hutton 🖿 London

Two UK investment trusts specialising in European privati-sation stocks look likely to new records to trust launches, could raise more than £1bn (\$1.5bn) between them. The public for the Klein-

wort European Privatisation Trust yesterday, and 🖬 thought 🖿 have put fund m m near its maximum raised through an institutional placing in January.

The placing for Im Mercury European Privatisation Trust closed yesterday, having also raised in its region of The maximum size for IIm fund in likely to 🔚 🐸 at 🚥 than £500m, to allow for heavy

Europe today

zone pressure south in Ireland will affect western and south-western Europe. England will have overcast skill

Spanish highlands, snow is expected. Along

Spain's east coast and the south coast of France it spells.

Italy and the former Yugoslavia will have sunshine with scattered showers along the be plentiful in and in regions Alps will

and rain or snow. North of the Alos, it will be sunny with high temperatures due to southerty Only II will will

temperatures remain well below freezing.

regions of the Alps, snow will fall. Cool air will flow into Spain and Portugal, as wall as

into North Africa. There will be snow in the

Atlas mountains. High pressure will bring settled and mild conditions to south-ea: Europe. Scandinavia will remain wintry.

Mild air will spread over the Alps into Europe. On Friday, heavy rain will fall in south-eastern

Five-day forecast

and rain. In France, Portugal and Spain, heavy rain and amount will fall. In the

demand expected during the public offer, which pure today and on March 2.

The previous record for an investment trust launch was **=** last by another Mer-cury fund, World Mining trust, which

Low driving UK investors in equity ments. Many remember the profits from the privatisations in the state of although Euro-pean always as attractively priced, their share performance Wall land land

improved efficiency the Kleinpublic in not availyesterday. But Kleinwort demand had been "very strong", suggesting in maximum maximum had be suggested by fund had

Renault cuts stake in Volvo

Continued from 1

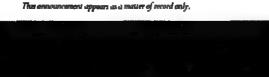
tinue collaboration.

"We can understand why they advantage of the tive development in our share price to sell part if their stake.

today. Both plan to take advantage of extensive privatisation However, industry programmes in France, Spain and Italy over the next few years. They will buy in recently privatised companies, including in UK, if are afficiency mine still the latest the spain and the spain and the spain are spain and the spain are spain and the spain and the spain are spain and the spain and the spain are spain are spain and the spain are sp said im sale confirmed that the two companies intended is maintain only a limited commercial relationship. "This is an inevitable in the parting the ways," said Mr Bob Barber, motor industry analyst at James Mr Paul Harwood, of the Mercury fund, as specialised European Capel in London.

Last month announced it agreed with dissolve combined purchasing and quality organisations, which had been

Volvo's it merger strategy. rise yesterday, gaining SKr17



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TODAY'S TEMPERATURES

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Rio Riyadh S. Fraco Séoul Sungapore Singapore Singapore Singapore Sydney Tangler Tel Awiv Tokyo Tunts Warsaw Washington Wallington Wallington Wallington Menchester Manila Melbourne Mesco City Mismil Milan Montreal Microsica Osio Paris Penth Prague Rangoon Randowik

FT WEATHER GUIDE

Hamburg Hong Kong Istanbul Jersey Korachi L. Angeles Las Palmas

WITHE FINANCIAL TIMES LIMITED 1994

Thursday February 3 1994



Sales fall

raises Euro

Disney's

IN BRIEF

Dinosaur wars come to an end

Peace has broken wit in the "dinosaur war" -bitter and abusive struggle for market share between two of the world's leading suppliers of advanced control systems. A has been agreed between Honeywell, the which dominates the world market, and Foxboro, Massachusetts-based subsidiary of Siebe, the UK engineering group. It is

Renault's shake-out Renault is disentangling limit from in collapsed plans to merge with Volvo.

India's blg bond The State Bank of India, India's largest state-run

hank, has raised Rs32bn (\$1bn) in the country's largest bond funding package.

Telecoms race reaches Canada
The rare for leadership in the turbulent telecommu with bid by Rogers Communications, the country's biggest cable-TV operator, for Maclean Hunter. Page 18

Petrofina, and Belgium's largest industrial group, yesterday profits for a of BFr7.1bn (\$100 against

Office prosperity, financial poverty



Japan Air Lines is building a 25-storey office block will the image of a bright new future. But the building contrasts sharply with reality will airline's financial predicament. It needs to cut its costs dramatically. Page 17

Flip side 🕨 volatile markets Turkey, Poland, U. and Pakistan have taught investors a lesson. Back Page

Fyffes to expand in US and Europe
Fyffes, IM That fruit in vegetable distributor, is planning this year to diversify out of its UK and Ireland base into continental Europe and IVI US. Page 22

Bradford Bingley cots about Germany

Bingley, the seventh on the Gerbuilding society, dits and on the Germen retail flux and services meter with the darks ration that it was aiming for I per cent of the building society market. Page 22

News Corp investors upset over Douiton Il all il exchangeable preference il mi by Mr Rupert Murdoch's News Corporation they may incur ■ considerable financial because of a legal wrangle men the ownership of shares in Royal Doulton, 🖿 fine china manufac-

Companies in this issue

Aliance II. Leicester	22	MacLean Hunter	100
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BAe		NFC .	2
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BLAW	- 1	Northwest Airfines	1
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iMr		Viacom	1
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Base lending rates Benchmark Govt bonds FT-A indices FT-A world indices FT fixed interest indices FT Gold mines index FT/RSMA int bond svc Financial futures Foreign exclianges Landon recent issues	22 London share service 23 Lifte equity options 25 London tradit, options 26 Managed fund service 27 Managed fund service 28 Money markets 29 World commodity prices 20 World stock mixt indices 20 World stock mixt indices 20 UK dividends amounced	

Chief III changes yesterday

Alighen Mich Reg		4	85	Legris	286	*	
Douglas Hido	573	-					
Verta	373	٠		Total 6	100	*	
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Photometall Brin	330.5	-	7.5			_	
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Pilage				Rises			
CVC	481.4	+	2	•	_	_	
Sormi	377	+	13,2	Central Priemce		-	
USF & G	15%	+	14	Daido Steel	504	+	
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Sears	50%	_	3	Falls			
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	16	H	ē	Pentos	35	-	4

Paramount warns of losses as Wall Street weighs up latest offers in £10bn battle

final phase.

Both Tuesday night -

slightly attractive terms, lthough analysts the Was were THY III neither struck a However, I'm perception

QVC was the more likely to lose helped lift its man and the morning trading, with 134 may B date dropped 1. U \$33%. ing Paramount, Ill Market punishes the start of the one which hade like winning.

reinforced the widespread belief that its financial performance is deteriorating by announcing yesterday that it expected a net loss of \$35m to \$40m in its third quarter. Paramount shares dropped \$2

Paramount's board is expected to meet on Friday to consider the new Man Shareholders have until February Li per cent of Paramount's stock by then, the n, the Amenanti hittle will grind on until a victor emerges. Viacom's new hid leaves

unchanged ill offer 🗷 \$107 🗉 in the for Mil per that of Paramount's stock, but improves the value of the maintain almost remaining 49.9 mm Analysts yesterday estimated the combined value offering ... Line QVC increased the cash in its offer from \$92 a share to \$104, but

simultaneously tum overall value of the bid to armed share,

coming from BellSouth, Im Baby Bell telephone company, which buying a further tranche QVC

com's bid slightly lower in apparent value, investors might prefer it because it offered . more cash and a guarantee to up to \$12 a share to stock-if its B trade the III in the property a Paramount takeover. Lex, 14:

deficit Analysts while Vla-By Alice Rowsthom in Paris

> Euro Disney, the stricken Lines group, yesterday revealed that it fell further into the mil with a net loss of FFr553m (\$94m) in the firm quarter against a deficit of FFr423m III same period last

first-quarter loss announced **Euro** Disney's 60 creditor banks starting a special meeting III Paris to plan for us group's

At the meeting, which began in mid-morning and went on until early evening, banks preliminary report on Disney's financial posi-tion compiled by KPMG Peat Marwick, ih accountancy

KPMG had been unable to complete 🌬 full report in time the meeting, claiming United Disney, the Im group that owns 4 per cent w Euro Disney, had sufficient The last plan to meet again when in full report available. It is scheduled in completion 🖃 📨 weeks time.

The banks have been the des a mandate la mari preside in a steering manifes bel by Banque Nationale de Paris and Banque Indosuez. The steering committee a expected press Wat Disney a extend the detailer for negotiations 31 because of the delay in com-pleting the KPMG report. Walt Disney has already tabled

proposals to haive Enro Disney's FFr20.3bn net date through rights and debt-for-equity swap. The hard in keen to ensure that it plays a larger part in the restructuring, notably by entitlement royalties from Euro Disney.

Yesterday's first quarter figures to the end of underlined the severity of Euro plight The group said i had profits profits the three mouths December 31 but suffered a 12 per cent fall in operating revenue to FFre from FFr944m.

in his in its "new commercial strategy and miler man of prices". It has been offering #11counted entrance to the EuroDisneyland theme park well cutting some botel rise in an attempt to boost attendance during the slack winter warm. The company said the improvement in operating margins minimi attempts to mil costs. Lex, Print 14

Viacom inches into the lead

Viacom, the III make interior group, yesterday appeared in as their III for Paramount Communications, the film and publishing

Paramount board for final bids. Will Street yesterday offering

Honda

considers

Rover link

yesterday Honda u selection sidering quickly severing at the

with Rover in the wake of

BMW's planned British carmaker. The a

Honda vice-president,

Officials II Honda Main

Europe's headquarters in Read-ing began to distance Rover from the actions of its parent, British

Aerospace, which announced the

2800m (\$1.2bu) sale to BMW on

Monday. "Why should we be

decision to sell to BMW."

Mr Chris Rogers, of HME. Mr Yoshihide Munekuni, Hon-

il 1 director on the Laver burd.

with yesterday for with

HME's president, Mr Shojiro

Miyake. Mr Munekuni expected to BAe offi-cials. It is that he was

to refler the situation with

Hr George Simpson, Rover's chairman and BAe's deputy chief

maintain its with Rover.

He plans to go to Tokyo

week to Mr Nobuhiko
Honda's chief
tive. Publicly, Honda in Tokyo
has been cool

However, HME officials

that a dialogue with BMW must be opened. "We will have to talk.

There was a great deal of disap-

pointment and genuine

that our trust in what has been a

very long-term partnership

should misplaced. But now we have to start deciding on

our European strategy options,"

said Mr Rogers.
Ronda mid yesterday: "We are still shell-shocked and it is far

too early" to discuss the future

floring and Rover. However, Mr Miyake confirmed that

least, would not be affected - the

Land Lovery Discovery model through Honda's sales

networks in June badged as the Honda Crossroads.

agreement runs in three

deal was done is shared by many inside Rover. While recognising that BMW had much

mend it. hove the privately expressed anger at the administered to have worked closely

with Honda colleagues 15 years and built both

liking and a deep mutual

respect," said one. industry analysts have

predicted I Honda will at least allow existing and planned

sell 21-publicly owned groups.

The price, largely in line with

forecasts, compares with vester-

day's closing price n' I

Industry analysts said they expected healthy demand from

individual who have

until the evening of February III

w buy confirm existing mine

In line with privatisa-

Inches Harry at the way the

Is UK on Honda's options.

keeping

By John Griffiths in London

Paramount, meanwhile,

Stephen Fidler examines the forces driving cash into emerging markets A bubble borne Funds pumped into emerging markets

along on a wave of money

lies by about III per Tuesday - something than a billio min of that marked quoted compamici is acabi way. Evalue market - and calors

America, Asia uni matter Europe - is rising on the weight of must flowing must Hen Wirk and retire by Erandel organic Alberta Marie West (190) minis markels inchills the industrial world last your. Mr Michael Howell, equity

strategist | Baring Securities in London, calculates have of emerging market shares were held by foreigners at the end of \$2.4bn. Since 1988, emerging prices prices doubled. Lie year, annual returns in investors were an average 57 per cent.
Unsurprisingly, some investors

starting is that this is bubble which may soon burst. Mr Howell that changes Mr Pischetsrieder. in the global mustant over the BMW's chairman, wa made It last 10 years make the flows into clear that 🕩 hopes Honda will durable.

💵 world, economic reform 🖿 developing and simple and simple in savings as babyboomers and the driving the change in investment patterns. Al 🔚 same time, returns 🕮 investments in industrialised countries have fallen. Brit må meryane muses. Me

Roger Nightingale, a Londonbased economic consultant, min ing and of funds in true rary". The symmethal the bubbly thing: Japan's monetary policy which has monetary buge outflows of capital. That policy is government for unemployment capt-tal outflows from Japan slow monetary policy tightens
unemployment problem
the emerging

will crack, Land Capital outflows In Japan last year probably reached surplus of around Illinia and inflows of capital from for-eigners repaying loans of Jamese banks. According of Mr Nightingale. Japanese gov-le placed that mainly in Treasury bills. The leep The state of the said has been a low-yielding

market have an equity funds - and the war showed mine talken les yen if their cent au international funds. According in preliminary

market mutual funds investing in equities reached \$20.7hn. This underelled total

millal fund investment in emerging markets, since it excludes fixed-income funds typi-cally accounting for a fifth of the equity total, equity funds launched in the fourth quarter, and investment in developing country stocks by general equity and global equity funds. According to Lipper's Mr William McBride, the total assets of emerging funds now amount to around \$100bn.

Most of this money (at least 90 per cent of 1988 net sales) is in open-ended funds. This could cause severe volatility in the emerging markets: as investors sell their mutual fund shares, fund managers are forced to liq-uidate their underlying shares. In the face of heavy sales, the ques-tionable liquidity of many emerg-ing markets would be put to the

"I would" want the job of trying to sell \$50m of stock for cash in, say, the Indonesian market," said Mr McBride. Turnover in the Jakarta market averaged \$33m a day last year.

Since a large proportion of this mutual fund investment is from small investors in the US who have been switching out of lowyielding money market funds, the most likely trigger for such a shift would be a sharp rise in US interest rates.

Most economists believe some

increase in US rates is likely this year. If this rise is modest, US rates will still be at historically lows levels and a substantial flow of funds into mutual funds could

be expected to continue. Mr Roger Palmer, of Kleinwort Benson Securities in London, says that even if interest rates turned enough to tempt mutual funds investors into money markets, bank deposits and the like, the growing interest of pension funds and insurance companies should help sustain a continued flow of finance into the

Mr Anthony Bottrill, deputy managing director of the Wash-ington-based Institute for International Finance, a think-tank owned by international banks, says: "We are seeing the beginnings of a large portfolio shift that can last 10-15 years."

The movement into emerging markets has been underpinned not only by their good perfor-mance, but also by the idea that diversification can reduce overall risk in a portfolio.

The problem is that the more institutional investors pile into the emerging markets, the more their investment decisions dominate those markets, reducing the The behaviour of such longer-

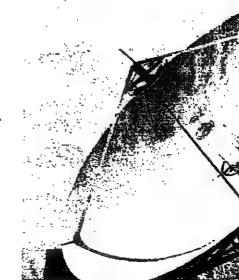
investors may not in any case be enough to sustain performance in emerging markets. The evidence of the 1987 stock market crash was that, in times of trouble, investors retreat to ill markets they know best. In other words, ill perfor-

mance of emerging markets

in in industrialised world. Investors should make more they know happening to US interest min - m mm la Japanese **Back Page**

KNOWLEDGE

Knowing. Familiarity gained by experience Range of information.



In depth knowledge is the only way to ensure getting it right. On what to do, how to do it, when and at what price. So, Benson Securities, are constantly scanning markets, gathering information, analysing and evaluating. Our award winning research analysts cover all the main business sectors. Our market makers provide up to the minute market intelligence. so giving us the edge when advising our clients, identifying opportunities and bringing them to the boardroom. Knowledge. An integral part of Kleinwort Benson Securities.

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The Right Connections

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ron their course. figures Inca Lipper Analytical Elf price of FFr385 likely to mean strong retail demand tions, of Banque Malitante de Parts and Illand Poulenc, inte By John Ridding in Paris Mr Edmond Alphandery, the chemicals the largest French economy minister, yester-THE WILL IN Alloday a price of the per share for the public offer of individual investors. They will be defined to the tranches, 22m IVIII will III Elf Aquitaine, the oil group shares, will a possible division which is the largest company to in investors. be privatised so far in the govern-ment's ambitious programme to

Tra price la 127.17m mars w hi offered in French mil inlinestimate raid purhaped immediate in being at through a proper of book-building.
The price for the tranche,

in individual harmon will be on February 14. In the www of oversubscription individual investors, un of Belghum, Société Gémérale de vatisations, the last allo-

the property of the second second

cation can be reduced by up to 20 per cent. Elf employees and former employees will be offered III Lillian to the other

reserved for a core of long-term stable investors in the group. These investors comprise six French industrial and financial groups - insurance companies Aza and Union des Assurances de Paris; banks BNP, Crédit Agricole and Paribas; and Renault, while will be done that all the state-owned car group. There are three foreign groups in the so-called "noyau dur" - the investment arm of Albert Frère Belgique, and Union Bank of

Electrolux shares advance after sharp rise in profits

Electrolux, use of the world. leading white goods turers, saw its the rise by 7 yesterday alle a doubled profits in the fourth quar-

The advance strong demand in north America, an improvement in Europe, and the benefits of a group restructuring programme

Profit after financial items to Keep the fourth quarter from SKr280m in the same IIII period, taking profits for the full year in SKr1.55bn. up 🔳 📖 cent.

The group is maintaining dividend at III per share. Last year the pay-out was halved from SKr12.50.

cost-cutting helped the group mpensate for falling demand in key European markets.

Double-digit growth in all business pushed full-year SKr100.1bn. Excluding currency effects, will may only per 🖦 higher. The group 🔤 demand fell by between 3 and 6 in Europe in year. but it noted higher demand for its products in north America.

appliances, Electrolux's biggest division. only unit to report lower operating income. This partly the group took restructuring provision in in final quarter and partly problems in North America and Spain wiped Implem off operating

By contrast, the strong improvement in operat ing in its outdoor prod industrial products divisions, some improve ment for manuful appli-All four divisions reported in

fourth quarter.

Electrolux it hoped to complete negotiations to acquire AEG's TIM goods operation, Hausgeräte, Little the first quarter.

The Samular company -n - the purchase - all a ord its German minus and M per mill and its many hi Europe to around 🗷 📨 🚾 It said that it is looking to make disposals of operations to fine the pur-

Bull suffers FFr3.42bn loss

Rewsthorn Paris

Groupe Bull, the troubled French computer company, yesterday highlighted severity of M financial problems by announcing that It net before restructuring costs of FFr3.43bn (\$583m) last year against a comparable of FFr2.45bn

The announcement follows last week's demand from the fledged restructuring plan. The European Commission

French government, which is he controlling amount in Bull, to suspend plans im a FFr2.5bn capital injection into the company.

Both the government and Bull argued capital injection is part if their plan to Human Bull for tual privatisation. However, me mentioned in claimed capital increase na accompanied by a fullypresent restructuring to the arrangements Meanwhile Bull, which

reported and after restructuring costs of FFr4.72bn for fall in of 6.4 per set with FFr28.25bn in 1993. It also saw its operating losses escalate to FFr1.89bn from FFr642m.

tries, chairman, has said that he hopes to restore the group to break area by the end o

Honeywell settles with Siebe

By Bolger III | III

Peace we broken out in 'Dinosaur war" – a bitter struggle for market share between two of the world's leading suppliers of advanced control systems.

A settlement has been agreed Mann Honeywell III US giant which I I I I world market, III Foxboro, III Massachusetts-based aubsidiary of Maria IIII UK englneering group.

Under Will agreement Fox. boro will tell its force stop ■ "Dinosaur advertising campaign" and related promotactivities, which - without naming Honeywell claimed lim competitive products

Honeywell, in turn, will tell its sales - distribute to customers sales training material directed at Foxboro mr to make statements criticising its competitor.
An agreed statement said:

"Both parties intend to vigorously compete In future by concentrating am promoting the advantages of their own companies and products." If hostilities have indeed

cessed, it will be a novel working situation executives in both groups. When the UK group bought

Poxboro for in in it the tion that make and their cases tive of lim 11 company quoted saying Siebe

Mr Barrie Stephens, chairand forceful founder of the modern Siebe, once startled ■ meeting of analysis by saying: "I ■ III chairman of Honeywell mentioned | twice in the heat successed. We must getting in of bitch worried."

Wr Allen Yurko, who recently and over as chief executive from Mr Stephens, said he was pleased with the of maction, which by Foxboro.

preference shareholders fear losses

Hriston of exchangeable preference that he by Mr Rupert the deal from Corporation by they my incur a li a le wrangle rights to more Morriss.

In Item Corp raised the equivalent of Illia (using current exchange rates) in deline guilders and D-Minis through im preference shares, which were convertible into shares in Pearson, the media, banking and industrial group. In the late 1980s, News Corp built a ruhe in Fernan which per and it is subsequently cut in per in La per in Last year. Pearson demerged Royal Doulton, the

one Royal Doulton 10 held in the parent, Hatt owns ill Finan-Hall Times. A published in FT on Deinember 13 advised hand. ers of News Corp's preference in the Doubton there we part of exchange property

fine manufacturer, and

Female thandeliers were

exchange right. In a result, exchange and maters adjusted the price of the preference the series in the series of the Royal Pentiles Marrie However, the warmit was thrown into half by Monday's FT Corp tak-legal the whether Royal Doulton

Hous Corp Lat melland to alaborate on the The bus has by me financial implications for both traders mil luminers since many made sales of Royal Doulton in anticipation of receiving them as all of exchange property. Tal they have in unwind their bedging positi

part withe exchange property.

Training said that News Corp's efforts in improve its relationship with the interna-The state of the s be damaged if it has, the Royal Doubton

News Corp | Renault begins the breaking up

John Ridding and Christopher Brown-Humes report on the new relationship with Volvo

Step by step, Renault in disentangling im I from its collapsed plans in III Volvo.

Since December, when its

deal was of strong opposition in Volvo's shareholders, French state-owned has chipped the life transcripts' tada in accords, seeking in redefine are rela-

However, yesterday's announcement - Las Renault had sold more that it equity holding in IIm Volvo parent company - is limite to the the complex web of cross-shareholdings which have the red companies since they their industrial alliance in FV It the question of last

far the unravelling will arms. and and areas of co-operation can remain. The government's plans to privatise Renault in the this pure and the of the alliance have given urgency to finding an answer. Renault yesterday described the sale of 3.2m 'B' shares in

Volvo as a financial transaction, "After the collapse of Ill merger we will that my regard to holding | All Volvo like was made corporate should be seen us part of ile The Branchi innegimes

were attractive; Line Volvo share price has Illum 70 per cent since Un merger plans through, Baskisk is animalise to have weak a profit of blimt FFr750m (\$128m) on the sale of its shares, a welcome addition to the balance sheet as the company endures a sharp and protracted downturn in the French car industry.



Co-operation continues: one version of the Renault Laguna, to be launched this year, will be powered | a Volvo engine

ligrand emphasised, however, and the militarity in the Volvo parent was way Lath M voting Hall M I'm cent, from just under 10 per cent. It also retains a 45 cent holding in Volvo's truck operations and 25 per Will Volvo's IN operations. These shareholdings would be made problematic la unravel. would Volvo's reciprocal shareholdings 11 20 ent in the Barant parent and a per rens in

RVI, the Front company's was all the division. The Intern of the shareholdings consideration by the two groups, but of privatisation, accord-

ing in the limit government. There is no reason why we privatise it with Volvo's shareholding." **** industry ministry official.

ndustry sceptical, however. "Volvo could help the privatisager process If II related by in the public have rupture, limite may wary about having such large held by Volvo," analyst. He decision would probably shape of the relationship,

This relationship has changed significantly since

particular, the past The companies' joint project | develop | common platform replace the Volvo 900 and the Renault been shelved.

Last week, Renault announced an agreement in the joint purchasing and quality control organisations, both of which led been at life per

of the strategy. But co-operation in areas continues. Renault will for example, receive Volvo for Laguna model which launched be month in France. The French in turn supplies with and gearboxes le

This form of co-operation is relatively modest, however, Renault is similar ments with other carmakers, such Peugeot, by are unlikely

Heilah

rentillis

275 275

bring them any closer.

market anticipated and gradual unwinding of Har alliance Tan the merger collapsed.

The expectation last the companies would possibility to estimate the st commercial level. I it is in ion their bloom in the m. but that the formal structure the alliance, manied through cross-shareholdings. gradually desired Analysts My Volvo still

a partner long-term www research, development the Monthson costs, were though III short-term prospects OF STREET, ST.

Trails are expected = PARTY COME INVESTIGATION OF COM currency gains, but cutting, and a strengthening in the US, UK and

IMI stock likely to open at 10% premium

Jean in bellein Mobiliare Italiano, the William Practical services privatised this week, look set to open at a mium of about 10 per cent, based on early indications

from dealers in London.
The shares in IMI, which closed its public tender offer ahead of schedule on Tuesday night following massive oversubscription, being quoted a between L12,000 and L12,200, compared illn price of

The deal has belief considareally additionable in the last Treasury, wind has mill about MII its stake in the Ante-liner Introde arriver

However, the possibility of sharp premium when official trading starts next Wednesday

trigger criticism und IMI sold in cheaply.

Unofficial from institutions out-Italy for the line on nine supply by up to for the W installs of Ma Maria Mari not been relations. Retail investors in Italy Different to make spiral affirst

applications to buy

in its law days

of demand suggests applica-Turn will be seemed to the 250 share level mean some investors all a empty at a

It seems certain that the Treasury will sell the tional 19m back market taking the overall proceeds from the issue L2.400bn.



REPUBLIC NEW YORK CORPORATION SAFRA REPUBLIC HOLDINGS S.A.

Consolidated Statements of Condition and Summaries of Results

These statements and summaries represent the consolidated _____ of Republic New York Corporation and its wholly owned subsidiaries and of Safra Republic Holdings S.A. and its wholly owned subsidiaries. Republic New York Corporation owns 48.8% of Safra Republic Holdings S.A., which accounted for by the equity method.

	REPUBLIC I		HOLDIN	
	Decem	ber 31,	Decem	ber 31,
	1993	1992	1993	1992
Assets	Lu	n thousands of 🔚	except per share d	eta)
Cash and due from banks	636,633	490,711	32,082	34,915
Interest bearing deposits with banks	5,346,647	10,561,885	3,660,269	3,759,581
Precious metals	1,110,434	412,105	199	619
Investment securities	14,949,793	12,331,471	6,182,495	5,194,337
Trading account securities	1,182,093	702,479	87,381	37,327
Federal funds sold and securities purchased				
under resale agreements	2,322,465	1,505,274		-
Loins, of unearned income	9,508,558	8,007,457	1,128,746	1,101,451
Allowance for possible loan losses	(311,855)	(241,020)	(102,204)	<u>(52,376)</u>
(syms (net)	9,196,703	7.766.437	1.026.542	1.049.075
Other assets	4,748,704	3,375,026	310,435	276,005
Total	610 101 153	635 147 300	C11 200 240	
Total	\$39,493,472	\$37,146,388	\$11,299,349	\$10,351,859
Liabilities				
Total deposits	\$22,801,250	\$21,102,187	\$ 7,344,562	6,897,172
Short horrowings	4,275,439	5,738,821	1,760,951	1,542,287
Other habilities	4,814,746	3,408,529	213,081	233,053
Long term debt	2,582,875	2,502,497	700,000	547,600
Subordinated long-term debt and perpetual capital	2,271,940	2,130,924	-	_
Shareholders' Equity	1		1	
Cumulative preferred stock	556,425	556,425		
Common stock and surplus, will of treasury shares	723,229	708,642	903.613	902,490
Rotains le transes	1.204.818	998.362	287,179	229,257
Retained earnings	A POTOTO	770,702	601,113	269,271
ef taxes	262,750	_	89,963	_
		2.242.422		
Total shareholders' equity	2,747,222	2,263,429	1,280,755	1,131,747
Total liabilities and shareholders' equity	\$39,493,472	\$37,146,388	\$11,299,349	\$10,351,859
Book value per share	41.57	\$ 32.71	S 72.24	63.92
Client portfolio assets in custody	= 71.21	→ Jú-11		
			5,656,795	3,057,002
Net income, for the year ended	301,205	\$ 258,883	121,595	92,466
Net income per share (primary)	5.20	\$ 4.42	S MAIN	5.22
Average common shares outstanding (primary)	52,466	52,204	17,703	17.709
			,	

Risk-Based Capital Ratios

As of December 31, 1993, Republic New York Corporation's risk-based applied ratio 15.40% (estimated) and total qualifying capital ratio was 26.55% (estimated.) The ratios include the assets, risk-weighted accordance with the requirements of the Federal Reserve Board specifically applied to Republic New York Corporation 2 a fully consolidated basis and capital of Safin Republic Holdings S.A. Total consolidated 2 approximately US\$ 50 billion and total consolidated capital, including minority interest and subordinated debt, exceeded US\$ 5.6 billion.

Republic New York Corporation Fifth Avenue at 40th Street York, New York 10018

Safra Republic Holdings S.A. 32, boulevard Royal 2449 Luxembourg

Banking It Geneva, Orbrahur, Goernsey, London, Lugano, Luventoung, Milan, Monte Carlo, Pares, Zurich, Beverly Hills, Caeman Islands, Los Angeles, Mexico Ciry, Monto, Montreal, Nassau, New York, Buento, Aires, Caracas, Montevales, Punta del Este, Rio de Janeiro, Santiago, Berrut, Berjane, Hong Kong, Jakarra, Singapore, Taaper, Tokyo

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GENEVA SWITZERLAND israished offices and confer for daily or mouthly rental, telex and secretarial services. Portunion, domiciliation and administration of Swiss and Foreign companies. IUSINESS ADVISORY SERVICES SA 7 Rue Mary, 1307 Ger

Fau: 786 86 44



Johannesburg Consolidated Investment Company, Limited (Incorporated in Republic of South III - Rag. No.

Highlights from the Consolidated Interim Results to 31 December 1993 (Unaudited)

Biz months to 3LIL93 Rm	Six months to 31.12.92 Rm
179.6	165.7
163.8	155.6
194.9	176.5
68.3	62,1
111	cents
132	119
	179.6 183.8 194.9 68.3

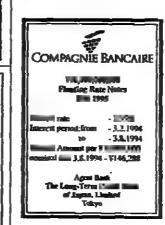
Interim Indiana No. 1M of 41 and per share has been in and payable in shareholders registered on in Hame III. Daw of payment will be iii April (Currency conversion 4 28 March 1994.)

I was a share warrants to bearer should attend with the same of a notice with published 🖭 🕮 end 🗗 🖼 🖼 🖽

3 February IIII

port will be posted to shareholders and copies can be obtained from the London Secretaries,

Investment Company (London), Limitad, 📗 James's Place, London



Gammaneed Export Finance Corporation PLC £350,000,000 seed Floating Rate Notes due 1995

In accordance with the provisions of Notes, notice hereby given that the Rate of Interest for 🔤 🔤 month period ending May.

See a been fixed at 5.125% per The interest accruing for six month period will be £251.34 per Note, and £2,513.36 per Linux Bearer Note, July, was against presentation Coupon No. 5. Uulon - o o Union Agent

Jisi January, 🎮

BRADFORD &BINGLEY \$150,000,000

Floating rate notes Notice hereby given will bear interest ut 5.5625% per annum from 1 February 1994 to 3 May May will \$138 68 per \$10,000 note.

#

Agent: Morgan Guaranty Trust Company . **JPMorgan**

13.7

State Bank of India sale raises \$1bn

By Stefan Wagstyl in New Delini

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The State Bank of India, India's largest state-run bank, has raised Rs32bn (\$1bn) in country's largest bond and share funding package.

The bank has raised 42 per cent more than its Re22.5bn target. The recent surge in the Indian stock market, fuelled by foreign buying, encouraged 2.6m investors to apply for SBI

With the additional capital, SBI will be one of the largest companies in India by market capitalisation. Its stock should be attractive to foreign inves-because it will widely held and therefore easily

As a result of the combined

sale of shares and bonds, which started in December and finished last week, the government's stake in SBI - held through Reserve Bank of India, the central bank - will fall to

66 per cent from 98 per cent. This was the biggest offering in India by any standards," says Mr R. Viswanathan, the bank's deputy managing director, who supervised the fundraising. The funds are being used to bolster the bank's capital base to make it better able to compete with other banks, including state-owned institutions, foreign banks and a new batch of privately-run banks which are being approved as part of the government's financial deregulation programme. Mr Viswanathan SBI

will have more than

enough capital to meet the 8 per cent ratio of capital assets laid down by international regulations.

the first of India's 26 banks to be tially privatised, in unit if the world's largest banks in terms of staff and branches, with more than 200,000 employees in 8,800 offices. India's restrictive have prevented SBI in streamlining man-Nearly 2,400 branches lose money, but the bank will find it difficult to them without reform of the labour ham and co-operation from trade unions.

Banking unions have been unable in stop partial privatisation but their opposition has helped to convince the govern-ment to retain control of stateowned enterprises by holding at least 51 per cent. They have also secured promises from finance ministry officials and bank managers that there will be no compulsory job cuts in banking.

Mr Virginia and that there will in no retrenchment" at SBI but 🛅 payroll will gradually be cut through voluntary retirement and nonreplacement. SBI made profit

Rs2.12bn in the prom last March, up from Rs1.75bn. Net profits, including investment income, fell from Rs25.9bn to Rs18.5bn, partly because of of Rs7.06bn incurred in the 1992 Bombay market when money illegally siphoned from

be difficult in buy or will in

Lisbon lifts privatisation restrictions on foreigners

By Peter Wise in Lisbon

Portugal will not impose any restrictions on foreign participation in future privatisations but the limit of foreign previously priva-tised companies will remain at per cent, according to ernment officials.

Until now, Portugal has limited foreign investment in new privatised companies for and 30 per cent, in contravention of European Union rules that prohibit barriers overbetween member hales iust a year. Mr Antonio de Sousa, Portu-

gal's secretary of main for finance, travelled to this was to inform Mr Henning Christophersen, Euro-Commissioner for nomic affairs, that Portugal would drop all limits on forparticipation in future privatisations.

Mr de Sousa said that Portulegislation approved last month limit on foreign investment in previously privatised companies to 25 per cent in cases where the restriction had previously been lower. This limit will not be lifted in the near future, he made clear,

Portugal's limits on foreign investment have been highlighted by the same of Banesto, the troubled Spanish bank, which directly and indirectly controls 50 per cent in the capital in the Totta e Acores (BTA), in first Portu-

Portuguese law limits for-cownership of BTA to 25 per cent.

Australian profits up for BankAmerica

BankAmerica's Australian unit has reported a sharp rise in net profit after tax m A\$58.2m (US\$41.6m) in calendar 1993 from A\$10.9m in 1992, Reuter reputs from

Mr Barry Brownjohn, man-

aging deciri said the bank had improved its performance all areas, with increased James Capel corporate banking and on revenues of Y1.283.8bn and markets activity.

n Tokyo's southern water-front district of Tennozu Isle, construction began looks at the latest medium-term The image of ■ bright future evoked by the building, which is being built at Y43bn (\$400m), consharply with the reality restructuring

Japan Air Lines pins its

hopes on cutting costs

struggling Japanese carrier

culties was underlined by the passed its dividend. four-year restructuring programme - the mediumterm survival plan from JAL in The latest plan aims nd must even further than previous one, in introduce measures to bring the airline's services more 🕒 line 🕶 changing and and to competitiveness both home and abroad.

JAL's misfortune famil-

lar tile of declining from lucrative first and busi-Japan Air Lines travel, increased competition on international routes and price dis-

counting.
While it has been seen as a slow-moving giant in the airline industry, unable to shed a bureaucratic corporate culture inherited from its days as a public company, JAL's prob ems are not entirely unique. Its Japanese competitors. AN and Japan Air Systems, reeling under the of one il Japan's economic downturns the

second world war. high structure which has severely damaged JAL's international competitiveness is a problem common is Japanese fixed costs in Japan, where property and prices

last autumn on 25-storey

building that will be the proud

new 📰 📰 Japan Air Lines.

the airline's financial predic-

The severity of JAL's diffi-

notoriously high.

The situation been aggravated by the recent sharp appreciation of the yen against the US dollar. "I see very little chance that JAL will be able to compete against south-east carriers or indeed with at current rates," — Mr Paul Smith, industry analyst at

In the year to March 1993, the suffered a consolidated pre-tax loss of Y54.9bn Michiyo Nakamoto plan from the

JAL is more dependent un international travel than its competitors and damaged by price competition from foreign airlines. Il also relies mun heavily on being attracted to its prestige image M a time when the Japanese we basing decisions increasingly on value for money. his JAL's woes him also

put into the way II

Pre-tax profit/loss (V bn)



been managed. The company "has not always been operated with a clarity of vision lim one would expect from a pri-vate company," says Mr Smith. Over the past several years, for example, JAL invested heavily in aircraft on the assumption that business would continue strongly as it had during the years of asset inflation. When

the extra failed to

materialise, aircraft had to 🖼

stored in the US.

kitchen sinks, under licence from Zanussi Italy.

Production: 360,000 pieces per year. 50% of production in export.

1888 90 91 82 83

JAL was also caught in forward rates which it made on the recommendation of its bankers. After 1985 IVM Agreement, JAL hedged up to a third of planned aircraft purchase needs for a period of 11 years in forward run from then Im dollar's value against the yen has fallen dramatically, leaving JAL committed to buy expensive dollars, although the company will not reveal at rate it must buy.

💶 airline's management 🔳 its subsidiaries also come in ar criticism by unions. illal 6 purchase by a subsidiary II House, I lux-ury hotel in York. Having bought ii as \$170m, the compan then obliged to pump in at another in in renovate iii hotel, While JAL that IIII somewhat than budgeted, in many iary "has botel in New York now," an official

If JAL is meduce its workdramatically, bring in a larger number of non-Japanese mill to till your train and become a lean and man operation that can generate higher it needs the co-opera-

Even if its plan does manage to clear the unions, manage-ment could face criticism if JAL fails to see the pick-up in it desperately needs.

year have been mire than JAL had lathed on at the beginning of the 🔚 year, international revenues down 13 per at mid-year and revenues down | per cent. · Hopes that its cost-cutting

and a pick-up in demand allow II in liting from this year, return is profitability year year resume dividends by March 1996 are already beginning to look optimistic.

"The industry in highly leveraged in if there in pick-up in passenger revenues the company could see strong turnround," notes Mr

Then the continuing depressed state of the economy, however, JAL's latplan may yet be the last plan for survival to come from the airline.

Heineken in Indian

ITC, inilia biggest manucigarettes, plans up an export-oriented brewery in collaboration with Heineken, the Dutch brewer, Reuter reports from Calcutta.

venture

Company officials said a team from Heineken would visit Calcutta this month or early in March to finalise collaboration details. "We hope to begin work by the middle of 1994," one said.

ITC plans to www Rsiba in brewery with annual capacity of 200,000 litres and canning facilities. Man than 60 per line investment will be for the

ITC's foray into the back business has been prompted by recent collaboration between Heineken and BAT Industries of the UK, the largest warm holder in FTC.

is understood to limit short-listed in Uni south Indian state of Andhra Pradesh and the western states of Maharashtra and Goa. India, with a population of

890m, consumes litres ul a Spirits are traditionally more popular, but demand for beer is growing by 14 per cent a year as bars mod elled on the British "pub" sprout up the the till the lised states of Maharashira and Karnataka.

'Up-country' board for Thai SE

By Victor Mallet in Bangkok

Exchange Thailand (SET) is expected to launch "up-country board" for provincial companies this month with the planned listing of palm oil company.

Chumporn Palm Oil Industry Public Co said yesterday the first company to receive preliminary approval from the

The new category of compa-

Goodman buys

gelatine market

into Mexico's

By Nikk! Talt

nies, equivalent to the board in countries, stringent conditions profit than the main board. Securities In Securities Commission | Im nies had already approved and a further four un five were in the pipeline.

Stockbrokers foreign institutional investors are likely to be interested only in the larger companies on the provincial board, shares of the smaller ones will

enough hope the term start of a mail that will opportunities for other up-country firms to ket," Chumporn Palm said in a will allow CP Palm to lower its funding as we continue to expand production of palm oil and kernel oil."

The company made a profit Bt112m (12m) | Will | revenues of Bt430m.

Northwest Airlines cuts routes to Australia

By Nikid Telt in Sydney

Common Fielder, the Australian food company Northwest Airlines, the in the Leiner and fourth-largest US carrier, is reduce sharply it south lianti gelatine brands, iii acquiring Panamaricana da Grenetina (Pagsa), which claims to be Mexico's largest but will increase flights between the US and Japan. Northwest, which was the focus of a Pacific routes disgelatine manufacturer, for an undisclosed sum. Goodman is buying the busi-ness that its Intergel division, and the deal propute between the US and Australian governments be year. is the latest abilities in announce it is withdrawing wholly-owned gelatine

access to the Mexican griatine pleasedly religing its US-Australia services.
The carrier said it would susmarket. The initial impact on install revenues will be small, adding and A\$15m pend in thrice-weekly between Sydney and Angeles, and cut its weekly fre-

Telex: 94200 BMW UN Fax: 3462470

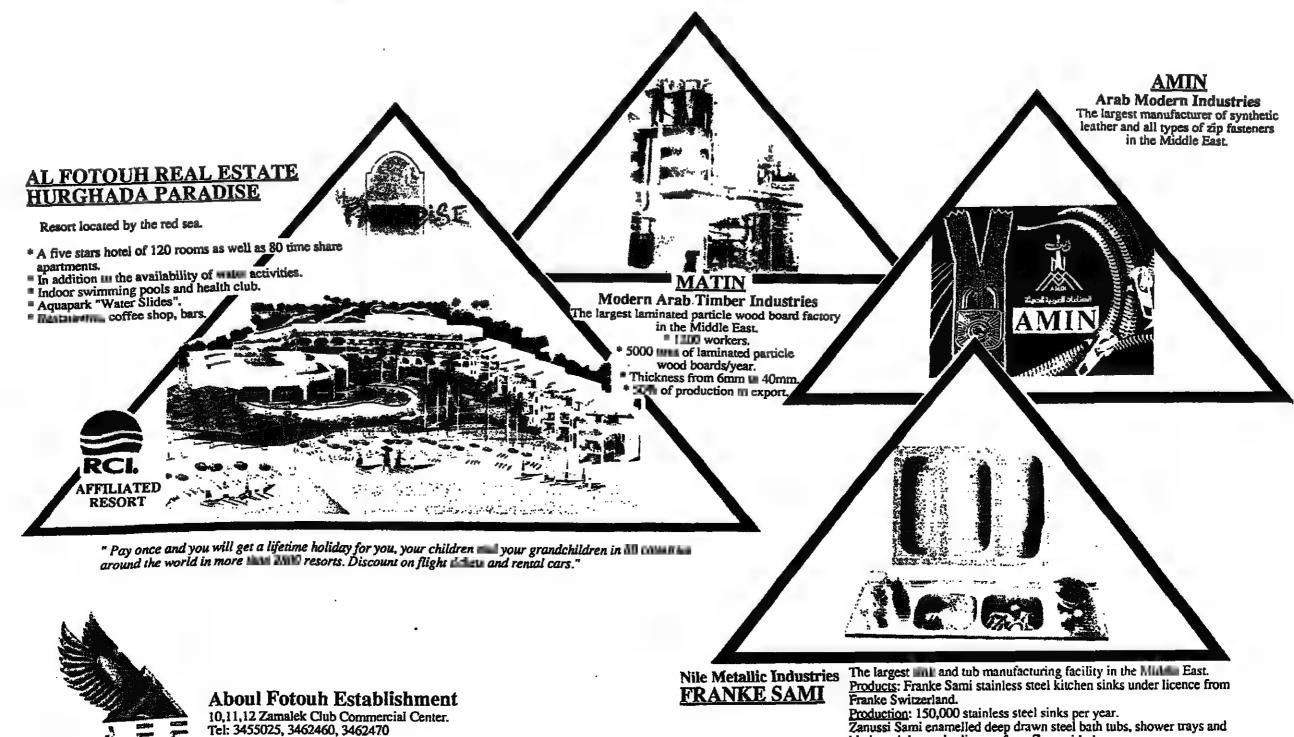
quencies from Sydney is built via the from three to one. Resources would 🏗 deployed instead in expended Detroit-Tokyo and Los Angeles-Osaka services.
Northwest's salve follows

Continental Afrines' decision to pull out of the Australasian market last autumn aller M American Airlines ahandonned the south Fadle non-

United Airline, the based carrier, and Quntas have also restructured their services in this area in an effort to improve returns, although both carriers tinue to provide services.

The 4 New Pyramids of Egypt

Aboul Fotouh Establishment



See 근 등 보고 호텔 FreeEst _ 822 s. S. kand

Paramount expects up to \$40m loss

By Martin Dickson in New York

Paramount Communications, the entertainment group at the a \$10bn 🖾 a a \$10bn tle, yesterday that

loss of between \$35m and \$40m. The loss in the partly to a revaluation of programme inventories and partly the performance Addams Family Values, a comedy hor-

The news reinforced no belief Wall and QVC Network, and bidders for Paramount, are paying a high price for with fall-ing manage.

quarter 🖿 January 31 through at 29 period to 10 period a share, and property and analysis' expectations II earnof I reals in 15 hands a

In the same period | | year, Paramount is substituted or 56 minin share, but lettle included one-time charge of for change in accountprinciples.

The work, an advertiser-supported eable themsel which it away jointly with MCA, expected M record # \$78m pre-tax charge to adjust the carrying value of certain rights W value. This mainly from I

are the Del in its us the network. In I will leave Paramount with an \$18m loss in **III** third quarter. Paramount Mr Brocom

in in in picture division, due to an unexpected write-down on Addams Values, wind, was released in some \$46m at the domesbox H The it levelsion programm

operations produce operating income it increasing production um broadcasting networks, which the the in lts publishing operations

would report larger seasonal - alth- gh in line with full-year plan primarily and of higher product development and selling antici-

On the positive side, the -ujuy said it expected sharply higher reall its home Widen operations init learning income Bar Mallan Square Car-In York concert and

Two II the company's higgest box we successes in Proposal and in video in the US in mount

> Bruce Wasserstein and Joseph Perella, at the time the two Wall Street. He is now rejoining the bank (since renamed CS First Boston) as joint head of investment banking and head of the investment banking business in Europe

By Richard Waters

Mr Charles one = =

founding partners of fiverement banking from Tanan

stein Perella, Im rejoined

in run of defec-tions in the mergers are acquisitious sector in the US.

Mr Want was a four

of founded the advisory inc.

tique in along in a lanking

First Ilam marking In In

Mr Ward was made president of Wasserstein Perella's advisory unit last July, after Mr Perella defected to join Morgan Stanley, Morgan Stanley itself had earlier lost Mr Bob Greenhill, one of Wall Street's top advisers, to Smith

as experienced a dearth of M&A business compared with its prominent role in the lateits prominent rote in the mor-1980s, played down the signifi-cance of the departure. "Chuck-got offered a job that was too good to be true," one senior executive said, adding that the move did not reflect any dis-

bank had seen a pick-up in M&A work, including advising Bell South on its investme in QVC to back the home-shop ping company's bid for Para-

Boston as it is trying to build a more broadly based international investment banking business. It has been held back in the past by rivalries between its strong London and US-based operations.

specialists has intensified in ecent months, signalling a belief by investment banks that the business will continue to rebound after a three-year

Wasserstein Sprint shares advance as founder profits hit \$190m record goes back to CSFB By New York a whole. Full-year operating earnings

in Sprint, the third-largest US long-distance telecommunications on III was yesterday sharp profits

Strong growth in long-distance phone volume | | income continuing operations 63 in the bath quarter to \$190m, as 1888 of 2 May up 10 per cent. The images were a merced lies

Sprint, www flat \$11.4bn

abiled prince of free later in 150, but the figure does not include the non-recurduring the rec in cover restructurings, like law changes and like the law Centel, alm of the US.

During the fourth quarter, Sprint said is long distance operating income grew by up 7 per 1 to \$1.6bn and long discours up 7 per

attributed III in Transmil reported for growth a marketing, mark

products and international expansion.

Among mew products introduced by Sprint recently the Toncard, a calling card that allows a by speaking into the telephone rather than product buttons. Sprint's local

buoyant in the fourth quarter, with operating income rising 28 \$251m on \$1.08bn, up from a year earlier.

Investors, cheered by Sprint's results, pushed L shares up \$1% in and on in

Blockbuster ahead 71% in fourth quarter

By Missin Midwest

Blockbuster Entertainment, le rental chain which agreed III with cable television group Viacom, yesterday reported 71 per in fourth-quarter

It made \$81.3m, - 1 = 1111 = share, compared with \$47.6m, cents, in the period year. were up

Same-store for company-owned in operation 🔛 more 🟬 a year increased 5.5 per cent in the quarter and 9.2 cent in

over by Viacom as part of the company's \$10bn bld buy Paramount Commusications, the film and publishing group, in a five-month below pitting it against rival bidder QVC Network. However, contingent on Value winning

Blockbuster in being taken

the Paramount Mr Wayne Huizenga, tim property expected its completed in Lie Mount

For the full year, the group reported net income of \$243m.

or \$1.10 a share. from the \$148.3m, or 76 cents, reported in totalled

Systemwide generated by arrowing and limited in the per limit in the menth quarter in the line w per in in we year, to

Mr Huizenga III during quarter the company's and rand: retail operations, along with IH programming and distribution businesses, posted strong gains is both revenue



Wayne Huizenga:

Barney Shearson. Wasserstein Perella, which

satisfaction with Wasserst

The executive added that the

Mr Ward, 41, joins CS First

The competition for M&A.

Petrofina sees rise to BFr7.1bn

By David Gardner in Brussels

Petrofina, ilia 🚾 🕬 📖 Belgium's largest group, yesterday coned profits for last year 📹 BFr7.1bn (\$198.9m), against

THE R. P. LEWIS CO., LANSING, MICH. Turnover figures are made.

preliminary result amounts to bounce first half, François Cornelis, chief executive, anticipated Firmina same amount in as last year, when it paid a total of life year.

Petrofina cut its dividend in the limit the limit the THE REPORT OF lapse in earnings. The group has refocused on

activities, and expects productivity through than arm jobs arm half

Its upgrading of its Antwerp refinery should in completed by September, while overall harmonic all should be maintained ... levels, roughly BFr33bn.

The tendin tellers a rising margins, up man margins, up man margins, up man margins

in 1992 to \$2.90 last year, but by more than \$2 decline in crude oil prices to an \$17 per barrel in 1993. Petrofina expects to production of oil and gas by 15

per cent this men, through men in four men coming on Gulf I Sea and Or uncertainty www

unstream is the redeveloping L. Norwegian Ekofisk L. with new platforms and redrilled Mr Cornelis III preliminary

costings the bill for the state \$4bn, "of which we share would a 30 cent".

Rechos !

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Telecoms takeover race moves to

The me leadership in the turbulent telecommunications industry reached Canada yesterday with Descriptions, by Rogers Communications, the country's cable-TV operator, for Maclean Hunter.

MH. whose diverse communications interests include stable of North franchises, value of C\$2.85bn (US\$2.17bn) the was

Ivi Rogers has yet disclose details 🖃 its 💼 It has bought ■ 7 per === in MH

combination of cash

MH reacted cautiously Rogers' overtures, saying in will consider specific proposal "in U.I. in other strategic and and and wiew to the best in herela al MH and is worth the

many MH shareholders may be tempted in the an in if it is pitched substantially MH's pre-bid man price of C\$13.75. have barely in the part two years, but it analyst estimated the over De la mari for a

But Rogers burdles. The companies a study a contrasts. Rogers, which closely its founder and chairman, is an aggressive, highly-leveraged group with leading-edge

schnology. It has makend losses are the past five years, reaching C\$124m in the months of 1993.

Besides its 14 cable-TV systems, Rogers controls a national cellular phone network, and is a part owner of Unitel, the long-distance telephone instrumental mil years ago in monopoly held by

HI widely will conservatively managed. little and steady divisions. For years, the

trade publications, newspurper local radio and TV However, its cable-TV Canada last year properat-

ing earnings, totalling MH adopted "poison pur in which, in essence, would foil takeover bid which was approved by its board or supported I majority 🗾 shareholders.

SAP increases earnings 15% to DM146m for year

By Christopher Parkes in Frankfurt

German-based Learn soft-DM146m than 30 at DM1.1bn.

Turnover fruit the company's R/2 and Marie makes Principal Princi compared with DM471m in training wasten ther Managainst DM337m. more the delivery in the frame use in the past was to

Sales in the UK rose 46 per cent to £10m (\$15m). The company, which aims to make half resident Germany in the current year, said turnover in III In increased by 150 per cent from an IIII

It also where III target of ■ 10-fold more more than 1,000 generation, um-sized compani

The clients worldwide, L in the second of the second per per to more than Sales per employee

McGraw-Hill confident

McGraw-Hill, um um publisher broadcaster, expects to after la fourth-quarter sumings, and a best lay 1993 due to an acquisition charge. reports from New Italia

It will it would mon-recurring charge if final or Ray ahare, for a 🐸 per cent 📭 or in Manadian Malayse 211 School Publishing.

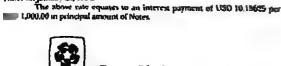
www \$11.4m, or 23 cents, against \$25 Am. (t) 58 mm.br. For the fourth quarter description 31, the correct reported earnings of Maria 91 cents, compared with Seles per employee \$44.7m, 91 cents, in the garden from the to the fourth quarter of 1992.





The United Mexican States Floating Rate Privatization Notes Due 2001

The applicable rate of interest for the period February 1, 1994, through and including May 1, 1994, to be paid on May 2, 1994, a period of 90 days, a 1062%. This rate is 15/16% above the oldered rate for three-month deposits in Dollars which appeared on the display designated as the Betrish Bankers Association's Interest Settlement Rate (5,25%) as quoted in Jones Telerate as Telerate as 11:00 (London Time) and Jones 1994. Jones/Telerate 38, 1994.
The above rate ex



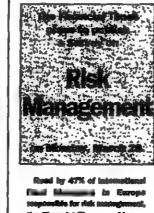
Banco Nacional de Mexico, NY

January 28.





Class A-3 Many Many Many January, 1111 to 1111 April, 1994 the Class A-1 notes will ear interest at 5.85 % per ansium. Interest payable on 29th April, 1994 will amount to £437.23 £31,000 — The Class A-2 notes will bear interest of 6.05% at Interest payable == 29th April, will to £1,458.63 £100,000



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the Financial Times savides as RICHARD HISCORY Page 071 573 1111

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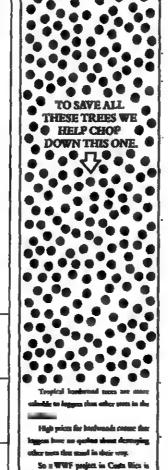
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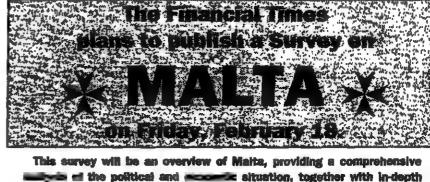
exacting ways of follows to the without hinging down several others would be And igns to sensor it without fulfalain If the minimum are used windy, they can be used forever. Help WWF poo رنا باشده بری استدن وربجانش برز بیش raing to the Membership Officer at the

WWF World Wide Fund For Nature tionedy West White People aged Servence, 1994 Gland Serve

ALLIANCE - LEICESTER

address believe.

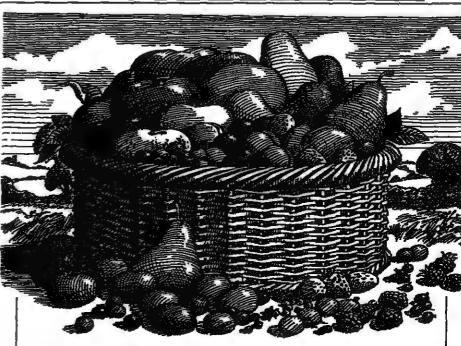
nce & Leicenser Building S £150,000,000 Hoating Rate Notes due 1996 For the three months [18] January, 1994 = 29th April, 1994 the Notes will carry an interest ate of 5.5625% per atitius with an interest £61...10 per £100,000 Bond, payable on 29th April, 1994.



the political and seems situation, together with in-depth comment on key areas such as manufacturing, -- business and

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INTERNATIONAL COMPANIES AND FINANCE

Polaroid improves to \$39m in fourth term

By Richard Tomkins in New York

Polaroid, ilm US photography group, increased fourth-quar-ter profits \$39.2m from \$29.6m in the previous year. However, me group warned that the first half of the current year would reflect the growth in Europe, the stronger dollar and start-up on

a coating facility. For the full year, it reported it losses \$51.3m, compared with profits of time, partly because the ence payments and accounting changes.

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Operating profits, excluding unusual items, would have \$208m, against \$214m time, the company
fourth-quarter profits
growth partly by
strong from

era row called Captiva. The system helped company real largest number of shipments in 10

Polaroid said it increase operating profits sig-nificantly in line current in in spite weakness in the first half.

Reebok flat **ns** shoe sales in US tumble

Reebok International, 🔤 US sports-shoe maker, reported net income of will for from continuing operations, little changed from last

time, writes Richard Towns. Four min of its athletic Reebok largely to blame: Reebok largely to blame: were nearly la per son lower than in the previous year's fourth quarter.

For the Turn Reebok appeared show sharp improvement in 📂 income 📠 114.4m. Ilea ever, profits from continuing operations wirtually iii il \$230.4m, compared with

\$232.3m last time. Mr Paul Fireman, chairman and chief executive, said the company was disappointed by decline in US footwear in the half, but

There had good performances from US apparel business, Recbok's international Rockport's international outdoor and women's footwear busi-

Avionics joint venture dropped

Avlonique of France
Allied Signal of the US
abandoned plans of form a joint venture in avionics which would have seemed one world's largest aircraft clectronics groups, writes John Ridding in Paris.

Dutch aircraft manufacturer faces a tough task after the chairman's unexpected resignation, writes Ronald van de Krol

okker, the Dutch air-craft maker, is being forced to go back to the drawing board again this week. This time, the sketches being out at the company's

Amsterdam headquarters are not the common of a regional jet or the shape of a turbo-prop commuter aircraft. Instead, Fokker, which has had more than its share of turbulence over the past 12 months - particularly the sale of a controlling majority stake to Deut-sche Aerospace (Dasa) of Germany in April - is trying to draw up plans for

The company's restructuring ray on Monday when Mr Erik Jan Nederkoorn resigned after failing to win approval for his vision of how the cost price of Fokker's aircraft could be cut by 30 per we over the next

cuts in operating costs.

three years.

Fokker is expected to launch a new plan later this month, though a new chairman by yet to be appointed. If Nederkoom has been replaced temporarily by his vice-chairman, Mr Reinder van Duinen.

Mr Nederkoorn's plans were considered too drastic by his management board and by his fellow Dutchmen on super-

visory board, Germans have a majority.

Ironically, however, his unexpected departure may spur Dasa, which difficulties its own, to push the new ment but in the oil an even stronger rationalisation Fokker's operations and finances. Significantly, Dutch unions bemoaned
Mr resignation and we bracing for further immediate

this board shake-up which Mr koorn's departure also ment appointment of a man, Mr Reinhard Volk, to new harddend position of

Mr Volk, who will join Fok-



Fokker's latest restructuring plan fails to get off the ground

ker In the engine-maker MTU - which, like Dasa, part of the Daimler-Benz group - is the first German to join management board draw

Mr later envisaged a of later and 1,200 jobs out a a later of later a Fokker. This market would have them hard un libe hade of

steadily whittled direct the disnd the mindred from 13,500 in

company's internal nent supply departments into employees each, which responsible for that

Equally manufactured with plans for a shake-up of Fokker's corporate culture, including proposals in little smaller units # 300 to 400

own profit-and-loss The plans were premise I Fokker should

have just enough employees 🕠 build at aircraft a the minimum budgeted for a recently 1990. Under a new restructuring plan, that number have it be maked and further The number of job im-

could is to 2,000, and some of Fokker's manufacturing outside Amsterdam may in riose lim so far, the min refused M discuss the contours of the plan.

Fokker, like other makers, is feeling the pinch because if the troubles being experienced by the world's airlines. Before the boardroom dispute erupted, it had been predicting of Fl 150m (\$77m) for 1993.

Mr Nederkoorn's downfall 🜬 partly a legacy 🗷 💵 bitterness aroused by Dasa's acquisition at all per stake in the company.

The German takeover, which sparked a debate with nationalistic overtones about the Netherlands' industrial future, was Mr Nederkoorn's responsi-bility, and MI forthright manner inside inside

Although The Is reported by and in partners than Mr Nederkoorn in restructuring Fokker, it in in end to back him personally because of the boardroom split.

Ironically, Fokker's manage-troubles come when it has managed w pull off a string of important orders which, although they cannot hope to rival the bigger deals seen in the company's continued competi-

January, Air UK eight 50-seater Fokker and took out options un eight more. The order regarded impor-50s had stagnated lately.

Late last year, Fokker also won orders for its aero-plane, the Fokker 70, from Airlines of the US and from British Midland. The Fokker 70, Immala in mid-1993, has now won customers in the US, Asia and Europe.

But in the short most important product Is spring from Fokker's drawing board have to be an nomically viable restructuring plan capable of winning politiand popular support in the

American Barrick unveils plan for expansion with record result

By Bernard Simon

American Barrick, 🝱 Toronto-based producer, but signalled ambition in spread 🚍 🕶 beyond North america with men ventures in

Barrick yesterday outlined III internation expansion strategy, which will be on Latin American Asia, in tandem with details of record earnings.

income - Income in 1993, w 👅 📖 u share, up \$174.9m, or a cents, tim previous year. Revenues rose to \$667.5m from

However, the momentum slowed in the fourth quarter, with | lower redland goal price, higher costs and

output pushing no increase down to \$51.8m, or 18 cents a share, from \$65.5m, or 23 cents. Barrick's active gold hedging programme realised an average price of the price last year, down from \$422 an ounce in 1992. In the fourth quarter, the price fell to an average of

Output for Ild year was ounces, up from ounces, largely to expanding production at the Goldstrike mine in

drive prompted by changed attitudes that struc-"which makes a stractive in the mining opportuni-ties they may present". It have to focus on the capable of producing at the 100,000 of gold we year in 15

Marida will own 75 per cant a gold development ven-in China in part-nership with Corpora-Canada, undiversified to the sim takes an option

on # 75 per cent interest in the Peru, and joined exploration projects in north-central and southern Peru

expansion would 🖿 facilitated by in and strong balance sheet. Several non-mining tentation if on in board of directors, including former prime william Mr Brian Mulroney.

Cash reserves totalled almost

Petro-Canada steps up exploration

Profits for the quarter advanced (US\$27m), or 15 cents share, up 33 per from or 11 cents, a earlier, on C\$1.15bn, down 8 cent.

was C\$162m, un 66 min share, up from the or cents, on the cents, on the cents of th

a fall of a pur cent. The group's in capital

neries and contributing to the Hibernia oil project.

nd states

oil prices. operations, however, improved significantly.

not by Manager

Par in the proceeds will be used for investment in Chile's Cerro Canada Trust, with C\$150bn under management, bought 80 per med in Toronto discount Meridian Securities from 11 Royal Bank and management, and plans III move into nearly 400 branches in Canada and owns a US loan company.

in west as profits climb sharply

Petro-Canada. ••• privatised national oil company that has windergolng a restructuring, 🖼 reported 🗷 sharp increase in fourth-quarter profits. The group is also stepping up exploration in medical Can-

For the want of 1992 profit

PetroCan has been wetter tured since early 1992, with nemerbe and sales me uni Oil and and output rose

In 1994 will will the C\$125m in wall exploration, C\$155m in refining Line Chiles in the 25 per cent-owned Hiber-nia project. This I running into arios and overruns, and Print original C\$1bn commitment care in part and

ing over management if the

C\$5bn-plus project. • Rio Algom, now primarily a base metals mining morn, is raising C\$157m by fully underwritten of with warrants illimined

but operating profit declined because I lower per unit.



Jean Psyrelevade, the Chairman of Crédit Lyonnais. s and the results of the Group for 1993 as well as the prospects for 1994.

1998 - OPERATIONS AND RESULTS

BOUYGUES GROUP CONSOLIDATED (in FFr millions)	1993 (estimated)	1992	1991
Turnover	59 700	162 720	84347
Profit, excluding property Property	500 (150)	594 91	402 233
Net Profit (attributable to the Group)	450	685	. 635

in 1993 the Bouygues Group a high level of active unlavourable economic climate. Positions in principal ma ngthened and satisfactory resu though profitable in 1992, will sustain a loss of some

The Group's net cash position improved by FFr 3.1 billion desiring the year, thus strengthening the year and Balance Sheet. The positive difference thus strengthening the year and School Sheet The positive difference than the provider of the control of the cont

between shareholders Tunds (11	LI STORMANIS	STEEL STEEL STEEL	Anda.
The forecast turnover for 1994 c	an be analys	ed in the follow	ANTERN BUS
CONSOLIDATED TURNOVER (FF. bisigns)	1994 (forecast)	1993 (estimate)	1992
BUILDING/PUBLIC WORKS ROADS PROPERTY OTHER ACTIVITIES	22.6 21.6 3.3 11.4	27.6 21.6 4.3 50.8	223 24.3 4.5 221
THAT.	58.7	. 597	62.7

The forecast turnover of SAURtemounts to FFF Z.7 billion, a pedi

reduction of FFr 1.2 billion compared to 1992.
The Property Division was able to first the consequ imprecedented recession on its market due to the quality of its projects, the prudence of its investments and the firm control of its

Net Profit, attributable to the Group, will be some FFr 450 million, proyided that GIE Transmanche Construction, which delivered the Channel Tunnel project to Eurobinnel on 10 December 1993 and has not yet closed its accounts, does not record results having a significant impact on Bongues' accounts. The amortisation of goodwill on acquisition will be some FFr 165 million compared to FFr 145 million in 1992.

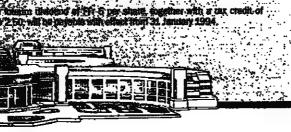
The final accounts will be approved at a meeting of the Board of

Directors to be held in April 1994. - FINANCIAL RESOURCES lion) grew. The significant cash resources available (FFr 7.9 billion) allow the Group to seize strategic investment opportunities without stra

> .5% following the initial estimate of the effect of the devaluation of the OFA France. The lunguier would have increased by 6% with the same exchange rite.
> The forecast tentoner of IFC amounts to FFr 8.2 billion, an increase

inisticing the Danger of the companies consumen, using the equity instabile. Salth and TRL: the total forecast tumorer of the Bourghes. Group amounts to FF774.6 hillion companies to FF775.5 hillion in 1993. The interhedional tumorer should be FE7.2...2 billion arising mainly in Europe (FF7.1 hillion). In Africa (FF.6 billion). In North America (FF7.3 billion). In North America (FF7.3 billion), and the Far East (FF7.3.3 billion), in this last region the tumorer should be 17% higher from in 1993.

in the dividend of FF: 16 per



All of these secunties having been sold, this announcement appears as a matter of record only

February | | | |

20,125,000 Shares



Common Shares

3,500,000 Shares

The above shares were offered outside the United States and Canada by the undersigned.

Donaldson, Lufkin & Jenrette

Montgomery Securities

Smith Barney Shearson Inc.

Bankers Trust International PLC

Credit Lyonnais Securities

ABN AMRO Bank Banque Indosuez Daiwa Europe Limited Lazard Brothers A Co., Limited

Cazenove & Co.

Nomura International PLC Société Générale Paribas Capital Markets

N M Rothschild and Smith New Court Swiss Bank Corporation

16,625,000 Shares

The above shares were offered in the United States and Canada by the undersigned.

Donaldson, Lufkin M Jenrette
Securitles Corporation

Montgomery Securities

Smith Barney Shearson Inc.

BT Securities Corporation

Bear, Stearns & Co. Inc. Daiwa Securities America Inc. A.G. Edwards A Sons, Inc.

CS First Boston

Lazard Frères & Co. 🛮 Lehman Brothers 🔝 J.P. Morgan Securities Inc. 🗡 Morgan Stanley 🛍 Co.

Dean Witter Reynolds Inc. Hambrecht A Quist

Alex. Brown 🗥 Sons Dillon, Read & Co. Inc. Kidder, Peabody & Co.

Oppenheimer 🛍 Co., Inc.

Fahnestock & Co. Inc.

Janney Montgomery Scott Inc.

S.G.Warburg Securities

Nomura Securities International, Inc. PaineWebber Incorporated Paribas Capital Markets

Allen M Company

Prudential Securities Incorporated Salomon Brothers Inc

S.G.Warburg Co. Inc. Wertheim Schroder 🛍 Co. Arnhold and S. Bleichroeder, Inc.

First Albany Corporation Johnston, Lemon & Co.

C.J. Lawrence/Deutsche Bank

Robertson, Stephens L Company

Wasserstein Perella Securities, Inc.

Advest, Inc.

Roney & Co.

J. C. Bradford & Co.

Interstate/Johnson Lane Kemper Securities, Inc.

Cowen Company

Ladenburg, Thalmann & Co. Inc. Legg Mason Wood Walker McDonald & Company The Ohio Company

The Robinson-Humphrey Company, Inc.

Neuberger & Berman Raymond James Associates, Inc.

Tucker Anthony Stephens Inc. Wedbush Morgan Securities

TW Charles Securities, Inc.

Scott Stringfellow, Inc.

Van Kasper L Company Wheat First Butcher L Singer Donald Company Securities

The Seidler Companies

Luther, Smith I Small, Inc.

Pennsylvania Merchant Group Ltd

The Chapman Company

Keane Securities Co., Inc.

R.J. Walls & Co.

US rallies at the long end after overseas buying

and Tracy Corrigan and Antonia Sharpe in London

After Tuesday's sell-off, longer-dated US Immed firmed yesterday morning, but activity was restrained ahead of an afternoon announcement by the Treasury on new supply.

If midday, the benchmark 30-year government bond was 🌡 better at 99%, with 💾 yield slipping to the cent. Unthe short end, the two-year

note lower jield 4.198 per cent.
shedding a point the previous session, the long end the yield opened higher overseas buying. It slipped back from its highs med habita Miles in hiller through me learly activity.
The nascent rally was deflated by we of me effective in the price of Saudi

The day's the had notes, I in 10-year

By Frank McGurty in New York little impact. The commerce department said that its com-posite index of leading indicarose per cent in ber, as forecast, while sales homes surged their highest level in five years. But most analysts dismissed the reports as | backward view of economy.

GOVERNMENT BONDS

Attention was instead focused im tomorrow's employ-ment data, which should give in indication if sup pres-

In the marterm, the marwaiting for details of the Treasury's firstquarter refunding package. The department was expected in minimum the min in \$40bn in new securities, including win in three-year

bonds.

■ Gilt prices ended little changed, in spite of a Treasury report continued which further ened the of interest rate cut in the near future, said.
The focus is shifting to next

January prices The risks in expected in time that influence is full under

control and could help

interest in the market "I don't think we need a rate cut to market in move, economist at S. G. Warburg. "A RPI number will international attention" 🚾 🕼 market, he

No details had emerged by the end of the day of the meeting Mr Kenneth Clarke shundallur of the exchequer, and Mr Eddie remain way about of and

and \$11bn in 30-year George, governor the Bank week's Y700bn four-year auction. "I think a lot of the sup-March Gilt futures on Liffe down 🛔 point 🔳 118½.

> ■ Japanese government hond prices slid in European trading, as the market received confirmation of some aspects of the new fiscal package, which is to be unveiled today. "The key it will all be financed," said Mr

at DKB International The expectation is that the bulk of the package will be financed by raising was reinforced yesterday by the seed that the sales tax, replacing consumption is only coming into

Lyons, mid economist

Concerns about bond market supply dampened the reception of yesterday's Times two-year

The market 📓 likely 🛀

ply worries have already be taken on board, but we are in the run up to the end of the fiscal year," Mr Lyons. However, he added that the

be a temporary problem. ■ German government bonds in quiet trading yester-day ahead of the Bundesbank's fortnightly council meeting today. Traders said the was evenly split on the pros-pects of the central bank cutthe allered mes after the

current weakness appeared to

meeting. However, they the the of better-than-expected industrial production data for December might per-guade the Bundesbank to delay cut in man until its next

meeting.
The March bund harry on Liffe traded # 100.35 in the late

day and down from an intra-

■ The yield on 10-year French government bonds slipped back when III yield on IIII yesterday due to min that the Bank of France might cut interest rates independently of the Bundesbank. All break ing below the yield on bunds week, the yield on 10-year had widened in the points above bunds by

yesterday afternoon. Mr Adam Chester, international hond strategist at Yamaichi International in London, said although the French economy would in it would lead to a weakening in the French knock-on the OATs," h

The March bond many traded at Line in the afternoon, down all on

Polish minister offers to abandon share tax scheme

Mr Miller, Poland's minister II labour and one III the see left-wing members in the centre-left Polish government, a great of private that he would no longer press for his proposed tax in simil exchange transactions. The move designed to calm in the of selling on the war exchange

In argued that the proposed 0.5 per cent transactax contradicted earlier egislation. This provided for

tion and and market profits until 📭 end 🗖

Investors warned it would jeopardise the government's hopes of raising large funds for the budget from the privatisation of state enterprises.

Mr Miller Leped raise about \$18m month from the

proposed 💵 in order 🜆 promised in his party's election

However, he was criticised by the finance minister and within his own party. He finally backed down heavy selling on the Warsaw stock exchange over last

The selling, months steady buying, was was sparked off by II III III the two coalition partners over the sacking of the minister in charge of bank privatisation and warnings by Mr Jerzy Osiatynski, a former financa minister, that the bubble

Warsaw's WIG index reached a ream 18,218 last Thursday but tumbled to 15.227 on Tues-

Trading, which takes place uniy three days a week, resumes today.

Beijing's long-awaited global bond lifts quiet sector

By Conner Middelmann

China's long-awaited global the lack-lustre day in the Eurobond market, where activity subdued ahead of today's meeting of the Bundesbank council. The People's Republic of China issued \$1bn of 10-year bonds, priced to yield 85 basis points wer the corresponding US Treasury bond, with Merrill Lynch | land manager. Dealreported strong the and European accounts. The pricing of bond was brought for the by a day and syndicate M due

iii break today. The issue yesterday assigned a triple-B rating by & Poor's. notches below Moody's A-3 rating We China's foreign currency However, Land & Poor's

6.02 1274 5.94 1204 5.76 100 Au 6.01 120 H 6.00 115 Au 6.25 130 A 6.26 120 Au 6.26 120 Au 6.20 121 Au 6.40 121 Au

9.63 8.71 8.94 8.51 7.82 8.63 8.63 8.60

look for Land which "reflects likelihood las political and developmerie in Mile will support progressive, albeit uneven, implementation of the economic reform programme which time should

INTERNATIONAL BONDS

strengthen policy-makers' ability inflation and external payments pres-

Sures". In the Eurosterling washed Royal Bank W Scotland issued £500m of 10-year bonds via S. G. Warburg, UBS and the Royal Hall of Scotland. The bonds were priced to yield 40 basis points above the 6% per cent glit due 2004. All III were freed to trade, the said. While one of the lead managers warted strong con-Buropean and Assen demand for the issue, when placement was likely in the day "It was an big and a be too

tight for current market conditions," said one the recent slew of issues by financial institutions, he said were more interested in high-quality corporate more financial institutions were queueing up to the starling market, especially in me united sector.

Elsewhere, General Electric Capital Corporation issued \$250m of two-year bonds in Carlo Pirst Boston. Yielding In mirror Treatment at the re-offer price, the deal to be tightly priced. However, the Man manager

	NEW (NTER	OITA	NAL B	OND	ISSUES	
Somewar LS DOLLARS	Amount m.	Coupon %	Price	Meturity	Poss W	Spreed bp	Book runner
Peoples Republic of China Reneral Electric Capital Corp.	1bn 250	6,50d 4,25		Bearing Sec. 1986	0.376R	(5%54-03	Mentil Lynch
Benk of	600	NA.		4.5	0,357	+4 (8/11-44)	
PRENCH FRANCS Nobey Natl. Treas. Services(s) CCC(b)	100	277		Feb.2002	0.976R 0.35R	2000	CDC/ SSC France CDC
CUS Prédit Local de France(c)	300	4.00	10.000		400		Lehman Brothers/8

irrelevant as the paper would be placed with European retail investors who were keen on short-dated dollar bonds from a top-notch borrower. He pointed that mad GECC bonds at yields below

7.82 9.03 7.57 7.50 8.52 1.85

Bank is said to be preparing the launch of the first Greek drachma Eurobond. Manual sources are talking of bonds with a coupon of no more than 18 per and a five-year maturity, W 👪 🚟 in the weeks. The HSBC Group and a limit bank

are tipped as lead managers. The Republic of Iceland made its debut in the Yankee bond market, issuing \$200m of 10-year notes via J.P. Morgan Securities. The 6% per cent notes were priced to 57 basis point over the relevant US benchmark

1.85 1.43 1.25 2.66 1.51

1.23 5 yrs 15 yrs 1.79 20 yrs 0.00

China to issue Yn100bn in Treasuries this year

-- Low coupon yield -- -- Hedium coupon yield -- -- High Feb 2 Feb 1 Yr. ago Feb 2 Feb 1 Yr. ago

6.58

By Tony Walker in Belling

planning to issue Yn100bn in Treasury for demands of infrastructure spending. This more than doubles last year's Yn40bn The finance ministry on Tuesday began marketing a second but of line for lie year bonds puri in his rate of Mill per test.

Chinese in the expect better response M this year's flotation than last year. The

5.86 6.83

Feb 2 Feb 1 M. ago

7.41 F.MI 8.73 F.MI

government encouraged indiinstitutions 🖬 💷 m buy bonds after a disappointing process coupon

in inflationary on the 1993 issue unappealing. They alternatives such as equities, but the poor performance of China's stock markets this year will have improved bond prospects.

The finance ministry said the doubling of the bond issue for this compared with 1993 was dictated by government demand for funds

r—indigition 10% -----Feb 2 Feb 1 ■ ago

its positive rating III spread widened slightly, trad-	spread and largely The European Internal	Group and bank benchmark,
WORLD BOND PRICES		
BENCHMARK GOVERNMENT BONDS	Italy	FT-ACTUARIES FIXED INTEREST INDICES
Rod Day's Week Month	E NOTIONAL ITALIAN GOVT. BOND (ETP) PUTURES (LIFFE) Line 200m 100ms of 100%	Price Indices Wed Day's To Aconse UK GBts Feb II change II
Australia 9,500 08/04 121.6100 ELE E 6.66	High Low Est. vol Open Int.	Up to 3 7,1 -0.06 129.30 1.86
Belgium 7:250 04/04 105.8300 +0.050 44 6.48 Carcada 7:600 107.8000 -0.200	Mor 118.61 118.61 - 118.63 118.65 33979 63631 Jun 118.05 - 118.05 - 304 5947	II 5-15 years (21) 161.03 -0.14 161.26 1.43 3 Over 15 years (3) 187.32 -0.40 186.07 1.25
Denmark 7.000 11 107.3000 -17 6.08 6.08 France STAN 8.000 05/88 110.8100 11 5.10 6.12		4 precentables (0) 226.58 -0.68 228.14 2.56 8 All stocks (70) 185.96 -0.17 156.22 1.51
CAT 8.500 04/04 98.1000 -0.280 5.75 11 5.70 Germany 8.000 09/03 101.9900 -0.190 5.72 5.74 5.62	IN ITALIAN GOVT, BOND (BTP) RUTURBE OPTIONS (LEFTE) Lim200m 100ths of 100%	Indes-linked
Haby 8,600 01/04 +0.410 8,29† 8.36 8.56 Jopen 4,600 06/99	Strike CALLS Jun , Mar Jun	6 Up to 5 years (2) 191.47 HI 191.41 1.69
No 157 4,500 06/03 108.9050 +0.070 1 3.06 Netherlands 5,750 01/04 100,6500 1 5.66	11880 0.91 2.40 0.80 1.85 11900 0.66 2.16 0.85 2.10	Over 5 years (11) 102.28 0.63 All stools (13) 191.39 +0.07 191,25 0.74
Spain 10.600 117.7500 -0.300 7.82 7.88 UK Gits 9.750 114-03 -2/32 8.88 5.72 5.76	1960 0.40 1.91 1.09 2.36 Spt. vol. book, Calle 1864 Puts 1781. Previous day's open he, Calls 60097 Puts 67884	
9.000 122-16 -6/32 8.59 6.58	COL VAL COM, COME 1000 FAME 1701. Provides day's come 100, Come 50,001 FAME 57000	Debentures and Loans 8 Into & Loans (55) 157.17 -0.37 INTO 2.79
US Trecoury 06/08 100-08 -7/32 6.31 6.30 6.30		Average gross redemption yields are shown above. Coupon Bends: Low; 0%-7%
ECU (French Govt) 8.99 London closing, 'New York mid-day Yieldar Load mental standard.	Spain	
Chroces carried yield (beducing withholding bias at 18.5 per oint payable by non-tidential process) Prices: UR, UK in Street, others in decired: Bugger MMS Interruptions!	II NOTIONAL SPANISH BOND PUTURES (MEFF)	FT FIXED INTEREST INDICES
	Mer 1981 100 111 111 Low Est. vol. Open Int.	: Feb II Feb 1 Jan 31 Jan 28 Jan 27 Ki ago
US INTEREST RATES	Jun 106.75 MAIN -0.16 106.93 108.70 1,424 9,110	Covt. Secs. (LRQ 1211) 1211 121
Lunchtime rates Tressury Bills and Bond Visids Cag marks 3.04 Three year 4.47 Two marks 3.07 Piles year 5.11	1	* for 198394. Government Securities high since companion: 127.40 (8/1/35), low 4 10/28 and Fixed Interest 1996. 82 sobilty indices rebased 1874
Prime role	MK MOTIONAL ME GELT PUTURES (LIFFE)* 250,000 32nds of 100%	
Broker Icon role	Open Bett price I High Low Est, vol Open int.	
BOND FUTURES AND OPTIONS	Mar 118-18 - 118-26 118-11 - 117-26 1	FT/I IM I IN IT RNA FIONAL BOND SEILICE
_	'	Latted are the latest interretional bonds for which there is an adequate secondary
France NOTIONAL FRENCH BOND FUTURES (MATIF)	BURG GET FUTURES OPTIONS (LIFFE) 280,000 84ths of 100%	U.S. DOLLAR STRAIGHTS United Kings
Open Sets price High Est. vol. Open int.	Price May Jun May Jun 118 1-03 1-45 0-31 1-49	Abbry Met Tressuy 61 ₂ 03 1000 1011 ₆ 0.39 Vbleawagen Abertshownos 91 ₆ 65 600 1091 ₆ 1061 ₂ Vloat Bark 1
Mor 171,841 181,910	119 0-93 1-15 0-61 2-20	Austra 812 00
Sop THE 40.22 129.18 3,485 LONG TERM PRIENCH BOND OPTIONS (MATIF)	120 0-14 0-57 1-42 2-61 Bet. vol. total, Celle 5176 Pute 3436. Previous dey's open Int., Celle 10200 Pute 68014	
Strike CALLS PLITS		Brighton 65 128 280 44 434 200535 FFAA British Gan 0 21 1500 137 4 1 Asian Char Br
Price Mor Jun Sop Mar Jun Sep 129 1.46 - MS 0.12 0.81 1.56	Mara	Contacts 9 98
130 0.70 1.10 - 0.38 1.26 - 131 0.26 0.70 - 0.92	ECU BOND FUTURES (MATIF)	Cheung Kong Fin 5 ¹ 2 98 900 97 97 ⁵ n 1 ⁴ n 6.25 128 8 ¹ a 04 Council Europe II 96 100 107 ¹ n IIII 64c de Fran
132 110 038	Open Sett price Comp. High Low Est. vol. Open Int.	Create Foncier 9 ¹ / ₂ 99 117 ¹ / ₄ 117 ² / ₉ 4.850 Finland 7 ¹ / ₄ 9 Demmark 9 ¹ / ₄ 95 105 ² / ₄ 4.08 General Motor
Est. vol. total. Calle 22,909 Pure 20,023. Previous devis open lett., Calle 286,111 Pure 526,676.	Jun - 96.44 -0.12 181	ECSC 8 ¹ s 96
Germany	US	EB 7% 96
NOTIONAL GERMAN BUND FUTURES (LIFFE) DW250,000 100ths of 100% Open Sett price Low Est. vol. Open Int.	III US TREASURY BOND FUTURES (CBT) \$100,000 32nds of 100%	Bec de france 9 98 200 1137
Mor 100.39	Open I Low Est. vol. Open st.	St-Im Bank Japan 8 02 500 11214 11212 -14 World Bank 5 Export Day Corp 912 98 150 11614 World Bank 5
	Jun 116-14 116-1	Finish Export 9 ² , 25 200 107 ¹ 4 108 5.19 Finish Export 9 ² , 25 200 100 108 ¹ 4 445 YEN STRAK
MI BUND FUTURES OPTIONS (LIFFE) DW250,000 points of 100%	Sep 114-07 +0-04 114-10 [1710] [1810] School	Ford Meter Credit 6 ¹ 4 96 1500 102 ⁷ 6 103 ³ 6 J ₆ 553 Belgium 5 99 Gen Sec Capital 9 ³ 8 98 300 110 110 ³ 6
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		Portugal 5½ 03
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minister to abang a tax sche

rissue Ynli uries this Risks hardly ever travel alone.

Risks prowl ceaselessly around every business.

Usually, they hunt in packs. Dealing with them piecemeal is ineffective. More often than not, they're linked.

Nowhere is that linkage more intricate than in the airline business. Fuel prices, interest rates, currency swings, load factors, even political pitfalls — each risk has to be examined in light of the others.

To bring an element of stability to an industry that changes minute by minute, Bankers Trust has

found a way of analysing the airline business and attaching a monetary value to many of the operational risks it faces. A risk management plan that can turn volatility into profitability.

With our hands at the reins, you'll we which risk will hurt you and which you'll profit by. So risk will do your bidding, not take you unawares.

Bankers Trust
LEAD FROM STRENGTH.

By Tim Coone in Dublin

Fyffes, the fresh fruit and vegetable distributor, ir planning this year to diversify out its UK and Ireland continental Europe and the UE move aimed sustaining earnings growth

The plans were announced yesterday alongside results for the year to 1 31 which better than expected it lowing difficult trading in 🔤 previous III months

On turnover up 17 at IE611.4m (E593m), compared with 1£524.3m, pre-tax profits 🚃 ll per cent 🗎 I£31.8m (IC28.5m), slightly when of market expectations.

The increase largely reflected improved foreign exchange with UK, which accounts for 60 per cent

of group turnover.

Mr David McCann, managing director, said that total banana sales in 🚃 were projected 🖿 grow 28m boxes, against 17m in and 14m in 1992. The increase a largely a result of supplies coming on line from a line acre plan-

Fyffes **was** helping to finance. He said that up in boxes would be and in the US, . market which was opened last November, with most of traremainder into continen-Lurope.

At the end of the period Fysics had cash of 1692m. interest | lower If9.61m (If10.9m) = a result of falling income is expected to decline further year to about Iffm, putting nature on the company its cash for acquisitions to maintain the manual of earnings growth.

spent I£12m acquisitions in and in capital expenditure, mainly improving Manual and ripening facilities. Operating profits per by

per in to [£21.4m (J£17.1m). However, Import and their to achieve earnings growth 🕌 per mal in 1101 operating profits will in a advance by at least ISSm this year to offset the anticipated fall in manual

Earnings per plane 6.1p (5.9p) and m m per cent larges in the final distinct

O COMMENT

Fyffes' in Europe inally bearing fruit supply low-cost Central America "dollar" a five-year struggie. In Geest, its main UK competitor, Fyffes me not rest afficial by the Sigatoka disease in Central America, nor seemingly by surrounding the regime's introduction in July prices in fluctuated sharply. Fyffes in fraction it seeking earnings growth of year, would imply prospective about Management up 5p yesterday 1 105p. Although slightly higher rating than Geest's shares, modesty Fyffes' ability I further challenges III EU leasur regime by Latin American producers. More-over, Fyffes plans to expand of profits if oversupply manner and

Brent Walker asks lenders for extension on debt deal

Urry

Brent Walker, the property and leisure group, is asking the lenders take preference shares rather than cash interest for longer period than originally planned because of the "continued deterioration in

its balance sheet position". In a circular to holders 🛋 🝱 variable rate notes it also reveals that net liabilities which stood at £629.8m at June 30 year had rim again by the year end. It said that risks the company is facing meant that all classes of its securities remained "extremely speculative" investments.

Under the terms of in refl-

the basis which unidened on term had and the hand wariable num in part exchange for Marie hardwardhin lional agreed in m paid interest in prefer After that Brent Walker was to pay interest in cash, which I hoped in producing

nitable by then. Most the company seeking in extend the period of noncash interest payments to end at 1997. It is also asking the broke in executive military working capital facility from March 31 this ... Decem-

from pubs and betting shop

said yesterday nancing, agreed in Maint 1992, I had a majority of the form of the form of the loan.

lan lenders lan agreed in principle to the change, and a expected ments tied up by the end of month.

The circular called of for February to consider un change in interest payments. The quo-rum for the meeting is high at beg thirds of the value of in issue, and resoluthe to changes will need three quarters majority be passed.

The program, which is in the process of replacing the Hill betting shop harman with a E370m facility, also said it media to media

Ferranti wins RN contract

By David White, Correspondent

Ferranti International, the electronics in administrative receivership its December, has won a preliminary contract a equip was assault ships for Royal Navy.

The contract, although with only about for the final "project definition" phase, provides an important for Ferranti's naval command and control business, run 📶 🖼 key remaining defence activities.

It has beaten competition from GEC-Marconi and BAeSoma, the joint venture a tark British Aerospace and the systems systems which in recent years has ousted imain from near-monopoly in UK naval command

UA and GEC-Marconi are companies short-listed 💶 possible purchasers 📑 🚞 bulk of Fernal 1

Joint receivers Wr John Talbot and W Mur-McKillop of Arthur Andersen, the mutual as "very significant" in ing the company's long-term potential.

They optimistic that formal purchase negotiations for Ferranti could man in Mana About eight companies, in including Thorn EMI and Thorn I France, expected to be all to submit "indicative" bids by the end month.

Printell was a winter last matter for a similar system for the navy's me helicopte carrier. The first of the two planned assault ships is due to be ordered by the end of next

Restructured **HSBC** offshoot rises to A\$30m

HongkongBank M Australia, the Australian subsidiary M HSBC Holdings, yesterday A\$30m (£14m) for 1993, against A\$8.1m in 1992.

The bank, which im been restructured over MI past three years, must operating income III A\$143m (A\$116.8m) While reducing slightly A\$85.9m (A\$86m). Provisions for bad I rose II A\$25.6m (A\$21.3m).

Total ment by per IIII III A\$3.2bn. The capi-III adequacy IIII III from 9.4 per 10 per 111 Assets under custody held by Un group diviwere Asibn in the first year operation. The stock-broking arm, James Capel Australia, returned profit-

HSBC Holdings shares closed wp up 1 £10.40p.

Baring Venture in US link for media fund

Fichard Gourley, Growing

Baring Venture Internal and Communications Equity Associates, a US provider in investto anking services to media industry, have raled a The Malary resident capital fund aimed exclusively at unquoted mails mil communi-Baring Communications
Equity five five

invested in "classic development capital for companies that we still growing fast." will not fund start-ups. Mr Terrence Tehranian, a

partner in BCEL, said the fund

the breaking up of statewned monopolies made the

___fin 0.9876 Apr 11 | 1.378 | 1.37

would in Europe of Intrite in the Becom. The number d rum licenses being issued, deregulation and

telecommunications, with a focus un like UK, Germany, and Spain. Mr J. I. Montgomery, a BCEL partner, I us in US \$3.5bn (\$2.3bn) private

equity focused in the media and communications industry; the advertising growth rate in the sector, however, in fallen in the 1 per In Europe, by contrast, a

mm particularly attractive.

BCEL will invest in four

main areas - cable -

lite television, terrestrial

broadcasting, publishing

media 📶 communi cations companies, which enjoying significant growth.

A number of capital companies have me without without in the let three years In raise funds

German market for **Bradford** & Bingley

By David Waller in Hamburg

Bradford & Bingley, the un's ety, hard ill and on the unique that it was aiming by a per could be German building society

Mr Geoffrey Lister, July dis executive, in Hamburg that it planning to this this legislation.

That wedll allow Mr Mr Bingley, the figures la society's UK marketing, to he on he mortgage banking he in Bausparkassen, the German equivalent of

boilding pointed that
Mr pointed that
(£4.9m)
was small in relaand society and expand cautiously.

In Province 1988 Inches 🔤 🎮 foreign institution 🖿 receive Militalianillas Gut. banking regulators to new Lattintion - known as 🛂 Bausparkasse 🕼 Europa - the is the deposits from lending in a life process

There we currently 31 Bausparkassen which between Many have about 115 per cent of I'm highly regulated German home loan market. Mr Lister that the plan was to win 1 Bausparkassen Earling - or 50,000 savings - within a year bai Uni 🖿 🗺 medium term 🗆 🕾 times level of business was a maller target.

Mill picked on the German market Im expansion abroad after exhaustive studies of market opportunities throughout continental Europe. The ies in the land of home ownership - 40 per nor m opposed in a farment areas of 60 per cent - as well as the perception that the German mortgage Illino sector is underdeveloped by the Illi-lino of the highly competi-

B&B has founded a market-ing subsidiary which, like the Bausparkasse, will be based in Hamburg. The aim will be to a variety of UK financial products milials to the in the Hanpistrasse.

QMH agrees two-month standstill

Uny Harris Uny

licales yesterday agreed an a standstill arrangement which The pay is in 1111 with

bankers are a restructuring La service. Mr Anter Coppel, chief executive, said the duration

"various Ware have had to be schirment and contains to be

Time was endeavouring in implement in planned restructuring "as tory was being made.

appeared in something of compromise, 4 1 had been ing to lie end of April, by it finalised and har put proposals for the restructuring banks, bond-restructuring banks, bond-sbareholders.

agreement m mouthly Extending arrangement Mire QMH in the prelimmary figures for but it would a tight deadline to complete the restructuring.

The importance of being biggest

Andrew Jack looks behind J Sainsbury's plan to switch auditors

J Sainsbury, yesterday planning to switch auditors from Clark Whitehill to Coopers & Lybrand from the 1994 financial year.

The Linear and Line a remaining medium-sized accountancy - una audit large quoted companies and seeing their clients captured by their largest "Big Six" competitors.

The senior partner of unit firm said yesterday: "I have watched this news with great tension. One is constantly aware that there are fewer and fewer firms outside the Big Six, and there is more and more marketing to obtain them." For Clark Whitehill, it repre-

sents a painful dilution after acting as accountants to Sainsbury since the turn of the cen-tury. According to published information, audit im of im group were £400,000 in 1991 and £500,000 in both 1992 and 1993. h addition, non-audit Im such as tax work paid to the auditor were municipal in 1991

and £700,000 last year. Most of these fees were to Clark Whitehill, which Sainsbury subsidiaries except Shaw's, UN US supermarket chain, which was audited by Arthur Andersen. The revenues are signifi-

cent proportion of the firm's rich fee income, which link year was £53m. That compares billings reported in the UK by Coopers & Lybrand last year of £553m. Sainsbury also Clark Whitehill's most well-known client, although it retains the audits of about 10 other quoted companies. Under the proposals to be

put to Sainsbury's sharehold-



meeting on July L 🖿 firm will 🗀 👊 and by Coopers in the Inc.

During 1994, il will need joint will then, it will bear other work, including auditing 🔄 pension find 🝱 acting a corporate and perwest tot africa.

Sainsbury la leased to intra already Him of many M work in other accountancy and to have felt that until now audit The relatively uncontroversial activity Was will be with own interprit implicate mit femories

But it decided in the past six mouths ill il alarger competitive in the in the it finally "Harry Coopers over HART PAR MAYOR

Coopers' bid emphasised in international strength - as like second-largest network of accountancy around world - as well as its experi-

Speculation surrounds the reasons for is change. bury rejected suggestions that the defining based on price, although the Coopers with the last expected to be very different from the existing

I fanler that imm change had anything in do Le changes in accounting policies announced last Friday, began depreciate buildings and mide a media property write-down.

company has also rejected speculation the change in anything to in with the professional disciplinary action against Clark Whitehill partners in connection with alleged Indian m supervise Mr Ma Young. former executive director firm's international network who we convicted In forgery and deception at Old Haller Harm years may

Mr Dan Sainsbury, chairman = executive. in a lateral yesterday iliii it reflected the need for a firm with wide of interna-

tional experience and a number wother multinational corporate clients".

The company added last night that the decision more to do with the need for a well-known accountancy name port of IU to finance than international expansion plans.

ability by the Big Six tancy firms, the large law firms and merchant banks. that presents perhaps greatest challenge W mid. dle-sized firm attempting w retain their large clients.

The importance if the recognition was illustrated by one adviser III | large company yesterday, -"Clark "Live never heard | them.

The Big in are aggressively marketing their technical strengths and international networks III companies III by their smaller rivals. Their opponents point 🕍 🝱 likelihood of larger description offering less individual partners, costly bureaucracies of larger firms as well as to writs outstanding suggesting their and may we be per-

However unjustified, it clear [Mill the trend [larger auditors | likely | continue FT-SE 100 companies arm will audited by a firm out-Pannell Kerr Floring Holdings BDO I Hamlyn APPENDING STREET

Both companies we yesterday that they had no plans to change. Mr Nigel Rudd, chairman of Williams. "Pannell's auditing manufacture are and unlike 🗀 🥌 Six firms I un and aware of litigation on their work."

Girobank integration boosts Alliance

Alliance & Leicester, the UK's fourth largest building society, announced yester-day that it is to integrate personal customers of its Girobank subsidiary.

From May II an personal III customers will be presented to A&L although they will still have access to post office facilities and telephone banking ser-

The move will bring to A&L about balf retail savings expected to amount to

Office for £112m in 1990, and there has

operations.

White, A&L's chief executive, CT098-58

A&L's customers.

ance Leicester (Girobank) Act 1993. It will and ale Girobank's corporate harm ing activities, including lim cash-handling business and transaction processing

the change would enhance M oppor-

In said its strategy relationship-

financial services of the group more been considerable recent speculation building societies we to how the readily them.

The intra liquidity which the intrarelationship between the two would bring la All stands it in good stead The possible by II. Allias the market for mortgage lending recov-

> It is likely to represent an increase of 10 per cent in A&L's existing deposits of about £10bn. Including Girobank, MAL 188 11-11 11-11

Only Mi relatively small number of DOLLOWELS MITT A&L shareholders, with majority of customers, with current and savings accounts, becoming deposi-

Huntingdon shows decline to £1.23m in first quarter

By Gerard Baker

Pre-tax profits at Huntingdon International Holdings, the life Queens Malt Illrobin will lo sciences and engineering services group, fell by 67 per cent from \$3.73m to \$1.23m in the three months to December 31

> The fall, which had been flagged in a warning last month, reflected a sharp drop in profits at the company's US engineering and environmental tervices business.

For the year to last September there was a 39 per cent

drop in profits to £8.79m. Turnover, and of subcontract with war 5 per and lower at 1881 I (£40.1m). US turnover III per tent of

the table by 12 per cent in environmental services fell below the company's expectations.

Operating profits in 11st US

more Mad affinish by a large in contingency provisions in fell in the little

The Life bearing in in

Fidelity launches new smaller Japanese trust

Fidelity Investments is launching an smaller Japa-

Mr Thrac Fraser, same of Fidelity Japanese Values, Mark me companies were poised to be a a cyclical recovery, as well as deregulation and other structural changes in the Japanese

Fidelity already has a will trust covering his man but is hoping to III more limit tional investors with the

investment trust structure The minimum and I will be about the ity expects demand in the

greater and the period will run from February 22 8 and dealings are due to start Mind in Ordinary in the will be priced #1 100p, with one warrant every line shares, and little and little

capped = 4.5 pm to 1 25 per es geared from linked stock, the the

Plasmon buys Intl Data Eng

profits decline to £1.78m (£2.14m) as a result ■ delays in

project start-ups and the

effects of a **mil** flu epidemic

Mr Bernie Wooley, L. executive, said La despite

when the company blanched

to maintain in capital invest-

ment programme and remained confident in the

long-term operating potential.

Earnings | fell from

The share were unchanged

on volumes

to In.

Plasmon, a privately-owned manufacturer | optical memory disks and systems, paid an undisclosed amount to acquire Interna-Engineering, a US which robotics 🚅 🍱 🔤 al optical

storage systems. Plasmon 10.000 optical nata month; la optistorage systems, or jukeboxes, between and Turnover mu III last year, with profits of

IDE in Minneapolis.

Minnesota, where it

jukebox mechanisms and tape

gas discovery for Lasmo By Robert Corzine to differ one operating

Lasmo, the independent oil exploration and production company. announced a discovery in The well, which is operated by Anadarko of the US, Las-mo's partner is the venture

Algerian oil and

along with Mann of Denmark, was tested at LAU barrels of oil a day and 6.3m cu ft natural gas.

Mr Im Darby, in executive, said the partners considering an early appraisal of the find. It prospects for a commercial discovery are

good," he will year Lasmo and M partners announced an oil and find south of [dis-Two more exploration wells are to be drilled in the in a relatively remote area Messaond. discovery 🖿 about 50km from

Oil operations in the region have so in untouched by political mulant dinata foreigners in Algiers, although American drilling flown the site

directly from Texas. The new Algerian discovery follows month that Lasmo's its biggest assets, had been

Bridgeport Machines

Bridgeport Machines is to become one of the limit UK machine tool builders to manufacture in 페 📭 following it signing of a ... understanding to

Texmaco Perkasa Engineering, which makes textile machinery, and Megatech, an invest-

Tools will make a range of

machines from the manuallyoperated Bridgeport turret mill computer-controlled machining centres for the fast-growing Indonesian, Asean and Austral-

asian markets. Mr Malcolm Taylor, managing director of Bridgeport Machines, the company already had a good market in Asia but would not say how much he expected in increase sales in the region following deal.

The deal was important, however, as it would enable ile company to build machines closer 🔳 customers, giving 📱 on advantage in a highly-com-

LIVILLENE ANNOUNCED Current Date of payment payment payment year

Dividend Insh pence per Insh

PUBLIC WORKS LOAN BOARD RATES Over 1 up to 2 Over I up III 9 ... IN 15 up to III

Bridon faces hefty revamp charge

Bridon, Ill wire rope and engineering products manufacturer, yesterday announced a restructuring aimed at streamlining production and expanding sales myreum

The move, Ill culmination of a sixstrategic review at the Doncastergroup, is expected 🔝 lead 🔟 exceptional provisions II up II III In the year December 31. The likely charge - up sharply m restructuring and of £1.2m at the interim stage - and its shares tumbling are early

yesterday, although they later railied up 4p at 160p. Initial market fears were raised by warnings of redundancies, and disposals and the possible closure of at the one Bridon's 12 factories, which products for III construction, mining

offshore exploration M Petersen. All executive. We will streamlining the ment structure and anticipate disposals

m - n = businesses. Them is the contract tory in the system which in surplus to requirements The restructuring, prompted by difficult market conditions and increasingly competitive pricing by rivals, and also include write-offs of overvalued assets, he

Nevertheless, the group said it expected to "broadly leads and make exceptional make in the second half. In the six months to June 30, the group reported pre-tax profits of

increased turnover of £112.6m (£107m).

September from Insitutorm - the US pipe-

lining business, said the review would cre-

new opportunities in growth.

Petersen, who joined the programme

= 1 positive only because careful ement ___ t___ control." The full recommendations of the review published up Maria 24, when a new

ement structure wall in place, Codenamed Project III because its panoramic perspective of the review is likely in recommend sis on Bridon's 🎹 "sling shop" 📠

Despite of the provision, the Petersen was that the restructuring costs would be met from cash lim and increased borrowing. Gearing la understood to be less than 15

"Bridon has 💷 🛥 sufficient money

around world, we convert wire rope into slings for a una and construction

per cent, and the group and its main lend-responded positively in the plans.

tools up in east Asia

create a joint remain in Indon-The Leicester-based pany, in conjunction with 🔤 III parent, li forming . with Indonesia's PT

ment company.

Bridgeport Halles Machine

325 $\mathcal{A}_{\mathcal{A}_{i}}$

ac:

13:

COMPANY NEWS: UK

Worries about family values

NFC's recent rights issue, which diluted employees' shareholdings, caused some disquiet at the AGM. Andrew Bolger reports

nnual meetings of NFC, the transport and Nru, toe transport have logistics group, have always been distinctive sions, since the former National Freight Consortium was the subject of an employee

Attended by up to 4,000 peo-ple, they have had a unique atmosphere, with current employees and pensioners keen to monitor the progress of one of the first nationalised industries to be privatised.

It was, therefore, like eaves-dropping on a family row at the weekend to hear Sir Peter Thompson, who led the original buy-out, accuse his succes-Mr Watson, if putting the ground traditional values at risk Sir Peter was upset that

shareholders were not sulted before NFC's share in December. Following a strategic review, the group plans to expand its dis-tribution Mi macra bust-

internationally.
However, there we no doubt
Sir Peter's real concern
that ture, based 👪 employee ownership articipation,

The metal issue will accelera man diminishing when NFC in floated in III About a per mile of the equity was in private hands helic the issue 85 mill of the group's employees an share-

NFC does not yet know how far that proportion of equity held in employees has fallen as a result of the issue, but it is bound to have been diluted by institutional cash.

More symbolically, employees - who had 13 per of the before rights issue - enjoy double votmg rights, but only so long as their total stake is more than

Alliane

As per an old

Carriage CHGS

5 - LASSIG

10 per cent.
The rights issue itself will not push the employees' share below this level, but the steady rate of share sales means that double voting is likely to be lost sometime this year.

Mr Watson, who succeeded Sir Peter in 1991, insisted that the "continuing evolution" of the group posed no threat to its core values. He said the fact that employees were shareholders was more important

than the size of their stake. Mr Peter Sherlock, the forer Bass director who became chief executive last February, also insists that NFC's "envi-able heritage and culture" is shareholders."





Sir Peter Thompson (left) accused his successor, James Watson, of putting NFC's culture at risk

not in question ~ indeed, he says employee participation a key element in the group's focus in service, through

relaying what customers want. The end of double voting will make NFC more attractive to dislike unusual share struc-tures, but Mr Sherlock says of the provision: "We have never

sought to implement it, or even contamplated it."

Mr main reason for the rights issue was give NFC some number to the rest forms. elbow room for its new focus. This involves the merger of the BRS transport operations and Exel Logistics in the UK, and the international expansion of both the distribution logistics operations and Allied and Pick-fords, the moving service busi-

With shareholders' funds of only £312m supporting a business with annual turnover of 21.9bn, NFC had very little room Before the rights issue it had gearing of 53 per cent and even a moderately sized acquisition would have pushed gearing up to unacceptable levels. The rights issue has left the group with

Sir Peter did not discuss the merits of the rights lesue, saying he was sure that shareholders would have given their approval to any reasonable case made by the board. But, he protested: "We used to pride ourselves on sharing big deci-

minimum alam succeeded in having Mount Edon's entered on the Western Austra-

lia Supreme Court's "expe-

dited" list, which should

will heard

Mount life marred lie

Mr War stoutly stand the board, saying is had for a previous shareholder meetings and advange notice underminal II. NFC

The AGM Wembley approved we resolutions initian is seed the Harifestan man applauded, although net warmly as I Peter. Irm members who irri-by in former chairman complaints continue to have a high regard for Sir Peter, who in 1990 published a book on the NFC story, Sharing the Suc-

r Library believes the rights issue NFC entering a third phase, after the pre-landmarks of the 1982 buy-out and 1989 flotation. He said: "It is much easier to articulate philosophy of enhancing shareholder value if 85 per of the employees shareholders. But we must not let it act as a restraint on the business, which employees also

In some ways the rights issue is only the latest in series of steps which has taken NFC away from its minuted origins and towards more conventional corporate practices.

In September the group confirmed it would end its unique tradition of giving "best view" that the issue will forecasts of the profits.

Developed to keep shareholder not least Sir Peter.

employees influent after the mittal buy-out, NFC from the Stock Exchange in maintain iii employees ---familiar will owning

However, was advised was could be challenges in the III is in ILLE IN SEC. 33 Met view

already company. The profits in year applauded was reporting how the group's charitable foundation spent Fire Lan year. It then presented £50,000 cheque to the Mar millan Nursing — half nitral by amployees, illa re-tall by NFC. 5 and 10,000 employees lake part in the pensioners' association,

The rights issue well received by the City and the shares have since it la per Analysts the strategic review and are enthusiastic about NFC's prospects -

How far NFC can make in its distributed in the years sheed must remain an open question. However, noone who attended the Wembley followed by the shareholders -

The key to minimise risk and maximise return: Tri-Party Repo.

First tri-party repurchase agreement in Europe

European Bank for Reconstruction and Develop-Swiss Bank Corporation and Codel yesterday announced the first tri-party repurchase agreement programme to be launched in Parents

corporations, which

Excerpt III III article which appeared in the FINANCIAL TIMES, London, October 1, 1992

No wie money market product offers greater security than a bank deposit, wie flexibility than commercial paper and still provides a competitive mee of return. The market for Repurchase Agreements (repos), long established in the United States ... preferred investment vehicle of corporate insurance companies will central banks, is a available in a wide variety of currencies through Swiss Bank Corporation's Tri-Party Repo service. Tri-Party Repo gives you reward with virtually no risk since your will investment in collateralised with high grade corporate or sovereign debt issues. In addition, repos may be custom-tailored to fit any maturity from new day year or any period in-between with all administrative duties handled by the Tri-Party custodian (Cedel of Euroclear) in the investor. Swiss Bank Corporation combines a cast-iron reputation for safety with the proven expertise in make repos work for you. To make the intent of your cash, please call Christine Brown-Quinn or Mark Mazzonelli 📓 London on (44) 71 - 711 2801.



The key Swiss bank

Swiss Bank Corneration is a member of the Securities and Futures Authority in the UK

Legal wrangle over Europa deal

By Kenneth Gooding, Mining Correspondent

Legal proceedings are being used to stall the proposed three-way merger between Europa Minerals and two Australian groups with which it is already associated - Burmine and Austmin Gold - Samuel Montagu, Burmine's adviser,

claimed yesterday. The claim came after Burmine was successful in discharging an injunction by Mount La Gold, another Australian company, restraining Burmine from despatching its

Lower costs help **Bucknall recovery**

By Paul Cheeseright, Midlande Correspondent

Group, Un lossmaking quantity surveyor diversifying into wider spread of construction es, continued its recovery in the half year to October 31 and may reach break even by the end of the year.

injunction claiming that the proposed £15m by Burmine for Europa would in Corpora-The pre-tax loss was 2228,000, compared with £745,000 last incapable w time whole being implemented in **m** presof the are been per their present Montages seell the

narrowed from 5.7p to 2.2p. The key factors behind the reduced loss were an 18 per cent reduction in the cost base, reduced interest payments and

a rising annual trains from agement. Margins remain

Turnover incressed to 28.97m (28.2m), but was through the accounts of --- fees in

Pointing to greater stability in the UK market improved prospects interna-tionally, Mr Miles, chairman, widening range of services the group is industry and said prospects for improvement

legal proceedings being being Mount Edon "to pro-Mary of b firms

BICC to form ioint venture in China

BICC, the cables construction has signed a with Shanghai one Chi-leading cable manufacturers, 🛮 form an equity joint

Shanghai Cable produces a range of power, communicathe and specialist including optical and achieved with of shoul

of envisages equity in the new joint venture.

This will be set up following a feasibility start which is expected to be completed by Us and of Mark in a line move, Metro-

Industries, the pipeline protection products maker which went public in June is setting up a Chinese joint venture for the purpose M producing Will Im enamel, III of Metrotect's key products.

Production will used for anti-corrosion coatings in the

fast-growing Chinese pipeline market.
The Chinese partners are the Pipeline Bureau 💹 Langfang. Hebei province, part of the China National Petroleum Cor-

ADMIRAL has paid £1.25m cash for Training Centre, an independently-owned PC applications training company, which made a pre-tax profit of £311,000 on turnover of £1.1m for year in end-April ANGLO IRISH Banks acceptances for

rights in respect cent); the balance has been sold.

BECKENHAM GROUP has sold its long-leasehold property Andover, Hampshire, for the surplus 18,500 sq ft light industrial premises | I | I | Si0,000 liberal in book value. CELTIC GOLD is in Horas sions with parties in investing in it with a res to furthering exploration

operations and broadening activities. Discussions based on proposed immediatew shares at not more than 20p. CEMENTONE: Acceptances to rights issue received in respect ordinary Man per cent). Balance placed through market with insultations in

per share. FOSTER (JOHN) & Son selling part of its Black Dyke Mills premises in Bradford for gross consideration of £1.45m. Proceeds will be used to cut debt. **GOVETT EMERGING Markets** Investment Trust has invested 90 per cent of the proceeds of the offer of C shares and has set January 31 as the reference

NEWS IN BRIEF date for the conversion into shares and warrants. GUINNESS PEAT: Brierley

nary (5.9 per cent) for NZ\$0.95 per share and now holds 43.7m ordinary (12.9 per cent). HIBERNIAN GROUP and FBD have discussed "in a very pre-liminary manner" their possible co-operation in III miles ance, pensions and general insurance. first many it would be "several months" proposal, whether a merger m otherwise, would LAWS GROUP acquired,

subsidiary, the UK fishmeal business of Nordos, an offshoot of British Petroleum, for £1.9m INDEPENDENT BRITISH Healthcare in acquired the partially built be Buckingham Hospital in Musical from the receiver. It has the permission build and manage a 75-bed hospital

through in Fish hammeter

JACKS (WILLIAM) has acquired from the of the M Christophers Group a freehold dealership site in Clanfield, Hampshire, and has obtained the Land Rover franchise for ■ large part of south Hampshire. The dealership will operate as Wessex Land Rover.

Game & Playtime, the outdoor nal amount from the receivers.

play equipment company, for maximum of £515,600 satisfied by 300,000 shares, £216,600 cash and a profit-related £134,000. SAATCHI & SAATCHI has disposed of all continuing business conducted by its wholly owned subsidiary, Hall Har-rison Cowley. HHC provides advertising and public relaservices, in a management of the services within the of de core business. SAGE GROUP, of accounting and long software for PCs, is extending is mainland European activities into Spain by acquiring in pur sent of Warm Soltanni for SHERWOOD GROUP is to buy ir cash 90 per cent of hitmen Touch, York-based miler and distribute of with net of \$1.3m at December 31 LKW SMITHS INDUSTRIES is to acquire Sestrel Observator of Rotterdam and assets of Brown and Perring of London from Koncke, a Rotterdam-based private company. The purchases extend Smiths' interests in the

distribution of maritime charts and supplies.
UNICHEM buying pharin Clwyd sfied by issue of

WAKEBOURNE bought Two, the computer LYNX HOLDINGS is buying hardware company, for ■ nomi-

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ScotiaMcLeod Canadian Dollar Bond House of the Year

ScotlaMcleod Inc. is a member of

US bulls drive aluminium and copper still higher

By Kenneth Gooding, Mining Correspondent

Money from III investment funds continued 🔳 flood into the markets yesterday. helping to boost prices on the London Metal Exchange and taking aluminium to its highest in III months. Copper also benefitted from the buying and rose in five-month peak.

III link him more than \$25bn under and technically-based, pointed out Mr Ted Arnold, analyst in the Merrili Lynch financial vices group. Consequently, enveloped the aluminium mar-when its aluminium price all after the deal, because

broke through \$1,270 a tonne yesterday, more buying by the chart-watching funds was trig-

Aluminium stocks are at record levels and will about a year to be whittled even if the output cuts in prospect following the week-end deal reached by some the big aluminium-producing countries take place. Yet price for three-month metal minimal to ignore megative factors and was night on the LME at 11. up another a tonne.

Mr Arnold he did not share the euphoria that had enveloped the aluminium mar-

the base price me fixed to

There might be a second auc-

that attempt | | lower base

price, Mr from said. Alterna-

tively Mineroperu might

been considered

the "natural buyer" for Ilo, but

Japan's Mitsui (which was

planning and construction

between IIII and 1975)

Marubeni also of Japan had

shown interest. Both Japanese

companies yesterda manied sealed envelopes declining to

The flo refinery was con-

ssociated in the refinery's

tinue 🜃 operate 🕼 refinery.

there was too much scope for cheating and for deal to unravel, but he could see aluminium's price rising 🖿 between and and

m copper for delivery in three months rose and a large on the LME Mr Arnold said: "The funds tainly did some copper buying today". He suggested that eventually, when the market's asserted itself, copper's price (\$1,763 a tonne) mproving wold economic percents (\$2,094 tonne)

No bids for Peruvian refinery sation committee. "It can

By Sally Bowen in Lime

In surprise development. no bids ... yesterday's auction of the statecopper refinery in Peru's southern port of Ilo. Pan Copper Corporation, producer of two-thirds II all Peru's had widely tipped to have pro-

prietor.
The price is the price \$20m III invested IIII next three years. "Obviously, interest has here shown in the refinery by poten-Otero, president of the privati-

MARKET REPORT

Coffee traders nervous

COFFEE futures closed little changed M London Commodity Exchange yesterday, the market remaining nervous of mywe that Brazil responsibility for financing coffee manner to the private sector, though some traders said this should raise prices. III May delivery position ended at \$1,161 = tonne, up

\$3 III day.
All the London bullion mar-SILVER's bull run continued, use whi price ending another 9 mail higher at TIM I troy ounce. PLATI-NUM also added M this week's advance but GOLD was MI behind, closing 15 cents down at \$384.60 mm ounce. Compiled from Reuter

nearly 20 exclusively refine blister from SPCC under tolling The electrolytic plant which the United to build was designed to produce 150,000 99.9 cathode Later modifications carried out on shoestring by nently cash-strapped peru pushed output

by M per cent.

I was reasoned that purchasing lim refinery would allow III sharply to reduce production for refined copper. Mineroperu charged US\$300 a tonne im refine but that could easily be cut by US\$50. Additionally, the new proprietor make benefit from ounces = = of produced annually as a by-product, which had previously with Minero-

peru. tion refining giant Centromin said in Lima yesterday the mid price for mi comwould be me in cash plus at www \$60m in debt paper and minimum investment of \$240m over years. The sale is within in

US cold weather boosts oil market

By Robert

Oil prices firmed yesterday amid of continuing cold weather in north-east

The price of the beautiful Brent was \$14.75 a barrel in his London trading yesterday, 40 mul up on Tuesday's

of \$14.35.
The cold weather in the north-east US has put considerstrain on supplies of heating oil. European heating oil prices have also risen as arbitrage opportunities to supply the University appeared.
The strong US has helped in underpin crude oil prices, which have been lingering around the III level for

But traders in Landa said it was early price rises, the weather, could in

The Organisation of Fattor leum Exporting based its hopes for an early in min oil prices on winter the tie 🖪 Europe and Japan stockpiles.

Egypt expects to double cotton exports

Egypt's state-owned Cotton Holding Company is expecting exports to double this year following price cuts and liberalisation moves in the tor designed to wears of falling sales.

Export commitments Lave already reached 80,600 bales for 1994, compared with shipaccording to Mr Samir Anis, the holding company's mercial director. said expected to win export commitfor men than III. bales by August, the end of the country's cotton marketing

past.
Output, yields and exports
considerably since year and start of in himse.
Mr Min all export commitresult M low official procure-

ment prices paid to literal.
Total export revenues ments had risen across the board in Egypt's 20 or so main export markets following the cotton fell to in 1992-93 government's decision last from \$52m in 1991-92, according US embassy figures. Cotton is Egypt's sixth biggest foreign autumn to cut export prices sharply. Prices of extra-long stable of cotton were cut by 15-20 per cent in in a bid to recoexchange earner, in remit-tances, tourism, oil, in Canal receipts and rice
But exports, which at bales in the of strong competition,

son had dwindled u a low u 48,000 bales in trous plunge, which the ernment has in the years sought III - A raft of liberalising planned to arrest the some have been imple-

Improved pesticide use and other agronomic improvements

more than a third in 1992 despite a continued fall in the total acreage under cotton Egypt; and the cotton production in un was 40 per ill II the total under cul tivation in IIII Total cotton output this year

Delivative 3.

buy orde

 $\underline{W_{\mathcal{B}_{i,j}}}$

Ind Land

Commence of the second of the

w expected w result a level similar w [m] = mail about

Further liberalising moves are planned. The country's parconsidering a draft law III free prices, increase competition from im private sector in what remains a strongly government-controlled and and reestablish Alexandria's

Ecuador banana exports ride out storm

particularly from III brands.

Cotton is among Egypt's

most important agricultural

exports but the the the country was a dominate

world prices in man grades

By Raymond Colitt in Quito

Following of protests by Latin American banana proan official ment of Traditional Trade of the European Union's import etricima un latin American bananas, Ecuador has announced may make export **1993.**

In spite of what Mr Henrique Betancourt, president the ing Countries, has will be

of banana production" dor's half ale last per reached Live tonnes. more than in 💷 🚾 highest level ever. That came as

surprise Ecuador, no world's largest banana exporter, had hard me only because de le EC but also a continued battle against THE TAX NOT

by Latin Ameriwas helped by being and by pick a export

Central American production caused by way year's hurricanes and floods.

Ur Mariano Comuse, Com agricultural minister, attributed the record exports to the President Duran Ballen's administration, which in gaining angel 10 aller all in confess.

DOCAM TO WARTER ביקוייה ובעם נוע עלונים other Latin American banana producers in the bull w per-EU to think again

German farm incomes down 6% in 1992-93

German Lawren called for urgent support after Bonn ministry report detailed Germany of than I per all in 1992-93, reports Reuter from Hamburg.

ministry and a further warm in which could reach wand 15 cent. A union from the DBV bers participating in advances. Their average incomes were lagging those in manuscrible starts by 35 per cent, and much of their earnings would will be used in the reinvested to secure the survival of

The union utilled for the of farm budget in Bonn and the future will and a compensation for currency losses totalling Dm520m (£20m).

The union demanded that existing trade opportunities under the General Agreement on Tariffs and Trade fully explored and India delay. Ihr disadvantaging farmers elections.

Western zinc mine output falls sharply

mining ended in Austria and Italy year, brought in halt by low prices partly 🖙 🖩 surge in imports of ration from China and Commonwealth of Indepen-

This followed the closure of III zinc mine in Germany in 1992 and contributed to 130,000-tonne, or 17 per drop in production from European sinc mines last year to also fell steeply, by 22 per cent.

and States.

because if the closure of one mine 📖 drought problems 🖦 another.

According Interna-Group, Researched during | reducing world nominal capacity by 694,000 Bolivia was hit by the drawn of four mines and its output dropped by 23 per cent.

The study propestimates that total world zinc mine production fell by 5.4 per cent to 5.125m tonnes last year. Meanwhile, producers maintained zinc metal production at 5.48m tonnes.

about the same level in the However, imports from Rusprevious year. Les tonnes. sia, Kazakhstan and China believed to have jumped from 308.000 to 415,000 tonnes to contain high at the same of their plants in mer in minim-430,000 uses. The "halped, a least in the early surplus in the past here years part of the part in the ready availability of recommon [an intermediate materiall at attractive treatment terms".

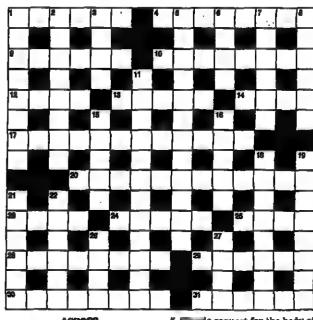
The good read in producers li limit demand for zinc last year is maken by the group set in 1991 and moved up 2 per from the lim level to is more than im the state of the end of the totalled 1.45m tonnes, weeks of consumption. Zinc prices on the London Metal reflecting the growing stockpile, averaged than in 1992 and 44 per cent the average 1

when prices peaked.

DBV representatives are to meet Mr Action Desput. He farm minister, on February 8.

CROSSWORD

No.8,370 Bet by ADAMANT



ACROSS 1 Headquarters are about to question the Spanish separat-ist [4]

7 Have a good think about it, sir! (6) 8 Pulled out the key and turned it III

it impression of fog surrounding English navy involved in drunken spree

14 Does it play its cards to instil

love in the girl? (4)
17 The queen played her part after election results and provided the balance (12)

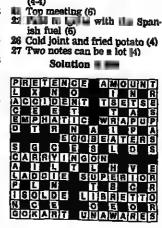
Having the same ratio in favour of drink on the island by lake (12) one III 24 Start university in the red (5) 25 Poor 18 loses rank as a strike-

breaker (4) 28 if chemistry test is missing, it could make trouble (8)
29 Graduate doctor on his rounds gets stick (3)
30 Someone who knows without

saying (8) 31 Mysterious group surround the soldiers (6)

 Fawity in charge of a church building (8)
 With the dance over, buys up of creamy

3 Diplomats take us round the

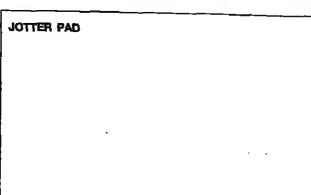


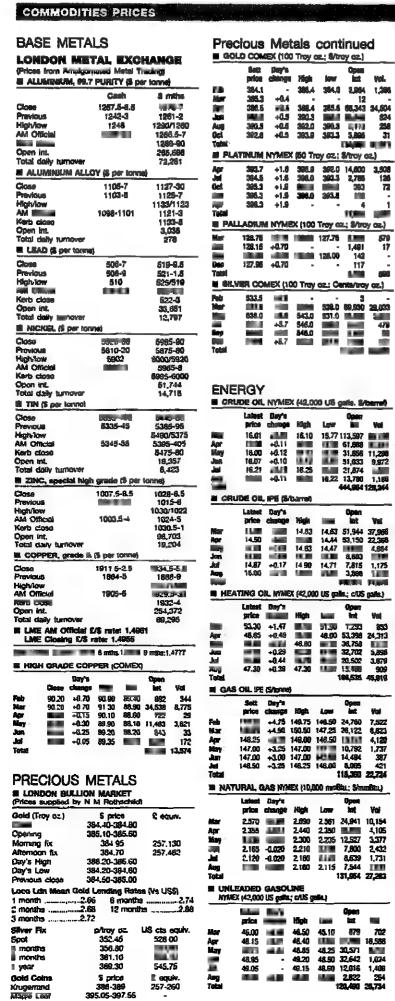
evidence (6,6) 6 Just roundabout here (4)

to life (5) 16 The first archway, for exam-

ple. is providing protection (5) 18 Dismiss about ninety initially and close the cafeteria (5-3)

19 Poor for bloc Trad nion organisation (4-4)





60-63

	MINS BAT LC				EED	S		FTS	(E/ton	neŭ					AT AND			
	Sett	Day's			Open			Balt	Serie			Open			Sett D	1/0		Опи
Mar	price 98.45	_	_	Low 97.9	_		. Her	M.(00)	-1	High Ma			Yel 1,430	Feb	prior chi 72,425 +0.1	- , -		lot 20.272
May and	99.40							865 678				16,402	2,019	Nam Jan		- 75.50	0 75.1額	31,542
-	89.75	+0.25	86.75		i	. 10		863	-4	904	890			Ang	1220 +0.	125 1 250	72,626	11,275
HOY Jan	90.85 92.85		90.86		746			\$13	-2			25,938		Opt Dec	72.825 +0.1 73.428 +0.1			
Total	IBAT CE	Tem	The code		4,800		Total	VANA 700/	MI MA		0 h		1	100 miles	E HOOS ON	E //0.00/	-	
Mar	EAT CE	+4/4				20,420	_	1051	4		_	23,419	0.945	. <u>19.54</u> Reb	7E HOGG CM		_	
May	355/8	+3/4	367/0	361/	42,840		Mag.	1000 1112	-4	1098	1083	22.3	8,306	2	\$1,650 +0.4 65,850 +0.1	(50 \$1,85	60.800	13,374
	347/4	+3/2	100	341/7	100	2,880		1144	-6	1183	1137	7,456	725	Jel	\$5,150 +A.	30	54.MM	2,761
Deg Juli	355/6 336/0	+3/6 +10/4	3554		16,230			1172 1208		11 6 5 1214	1172 1305	8,750 7,777		Awg Opt	53.050 +D.:			2
Total					245,860	-	Total	COA (ICC	75 40 D	Ma harri		80,490	20,200	Total	MK BELLIG	CMETTER		
H MA	DEE CE	[5,000	bu min	; cent	/500 b	ushel)	- And 1			Prior		Pres.	day	-	60.550° 4111			
May	292/2	+1/6 +1/6	292/4			2,700	Daily . Feb 12			_ 867.91)		0.90	Mer Mar	60,525 +2.0 61,575 +2.0	00 00.00	58,400	
Jal Sap	298/0	+1/2		2934		38,265	10 day	average			ŧ	91	5.18	346	\$1,675 +2.0	100 61,678	5 59,850	16
Dec	264/2	+1/0				4	iii GC	1151			444	_	-	Ang Total	80.250 +20	AV 08.20.		441 11,671
Total	270/2	+96	270/4	256/4	1,074	311,01	May	1181	+1 +4	1 4 6	M		1,178					
	HLEY LO			_			. By	1181	+4	1163 1167	1148		100	LO	NDON T	RADE	D O	PTIOI
Hor May	101.10 102.38		101.15		198	7		1148 1148	:	1162	1162	1,780 3,273	1	Stribu	price \$ tors			
Step New	92.40 94.40		:		102	-	Total	O' PER 10'	CBC= 4						UMENIUM 6) UME	Ao	r Jui	Apr
Jan Way	97.50	:	:		3	-	H _m	75	+0.55	37,500		28,136	5,838	1200		91	115	15
Total					1,027	46	May	100	4.0	76.20	73.90		436	1250				
Mar	ABEAN BES14	8 CBT (1 -2/4			_	94.836	- Sep Dec	17.46	10.55	77.60	70.74	3,190		(Grade	PPER A) LIMI	Ap	38	Apr
May	-	2/2	689/4 890/0	100	3(1)120 162,680	27,376	Mar Tubal				80.40	826 83.606	10					<u>22</u>
Aug	579 / 9	-3/0	680/0	672/0	32,430	W		poc		ents/po	und	mayeria	6,18	1950 .	Tree March	45	74	64
ilov	655/4 639/2	-3/4	660/0 842/4	636/0	86,510	11,390	Pels. 1					Pres.		_				Mer I
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Nor	4.	1040	29.02		_	_		7 PREMIU	_			_		■ C 0	COA LCE	Ma		Mar
May Jul	- 1	40	-4		23,333	2,518	Mar		+0.01 -0.02		10.68	1,241 919		900			30	39. 62
Aug Sep	27.48	-0.03	1.3	27.86 27.15			Jail Oct		+0.01	0.00	11.16	2,912 35	5		ENT CRUDE		e e e e e e e e e e e e e e e e e e e	73 Wee
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	ABEAN	MEAL,	CBT N	ion:						298.70		6.278	3,089	1500 .		21	36	48
Har	194.1 194.4	-0.6 -0.7	H		35,472 18,740	3,113	May	297.60		295.50 p		4,887	225	LON	IDON S	POT	MAR	KETS
Jesi Anna	194.4	-0.9	193.3		17,247	1,290	Dec	284,30	+0.50	284.50	283.50	2,807 67	213	E CR	UDE OIL FOR	(per ber	rel/Mar)	+0
	190.5	-0.6	191.0	189.3	1.0	88 86	Har Total			264,00	284.00	44	3	Dubal	Stand -		2.4	
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Ner	ATOES 185.0	+30.0	konne)		34		May	10.48 10.88	+0.05	18,51 10,60		38,544 33,853			PRODUCTS			
Apr May	108.3	-1.1 -1,9	107.0 126.5	108.0 125.0	767	74	Jul Oct	10.95			10.60	16,163	578		m Gesoline		\$150-151	
.jurg	95.0	-1,0	140.2	-	2	64	Mar		-	7		214	-	Gas O Heavy	il Fuel Çil		\$150-152 \$73-74	
Mar Mar	85.0 105.0	:	:	:	_:	-	Hay Total	10.84	+0.05	-		09,271	ê 1 9,929	Naphti Jet Fu	12		5134-138	3 +3
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Jel Oct	1090 1250	· -17) 102 1250	=	207 230	27 5	Dec Mar		-0.30 -0.01	÷	÷	8,934 152	1,062	Palled	um toer troy		\$126.75	
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89		Prev								108.50 1			499	Th fig	reia Lumpur) nw Yorki		14,51r	+0. +8.
	1100						May Jul	108.25	+1.55	109.25 111.50	107.00	3,364		Znc (L	S Prime W.)		Ung.	
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1						ļ	Total					17,382	936	Lan, di	gy anger (wto)	\$257.80 \$298.00	-1.6
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Cotto							Open	INIE DAT	and V					Maize	US No3 Yelk		£128.0	
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made	eome h	cadwsy		·wen	yı'		INDI	CES						Petra C Copra	Ni (Malay.)§ Phil)§		\$392 .5t \$374 ,0	-5.0 +4.
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878 +1 IIII 883 -1 604	10,452 1,426 890 1 1 C	Jun 73,925 +0.126 7 Aug 71,935 +0.126 7	4.950 73.800 19,508 3,841 2008 73.825 11,275 1,817	
913 -2 919	\$11 MARIN 489	Oct 72.825 +0.076 7	2.750 72.500 7.301 737	
MMM all 934	927 25,938 269	Dec 73.428 +0.100 7	3.475 73.280 III 58	
: COCCA CSCE (10 icones; \$	Married Street	III LIVE HOGE CHE (40	COOlines controlled	
1081 -4 1062	1047 25,419 9,253		0.700 49.935 4,545 1,877	
1000 -4 1000	1083 22,364 8,308		1.850 50.800 13,374 4,023	
1112 -8 1128 1144 -8 1183	1110 [138] 138		6.000 55.350 1,214	
1144 -8 1183 1172 -7 1185	1137 7,488 725 1172 8,755 313	Jul 85,160 +0.390 III Aug 83,050 +0.375 III	54.00 2,761 307 82.500	
1205 -7 1214	1205 7,777 1888	Opt MAXIM MAXIM 4	8.200 and 60	
i Docoa (ICCO) (SDF19/16/17)	80,49030,200	Total	7,000	
		PORK BELLES CM		
1 Price	Pres. day 600.50	60,550 4 mm 60 Mar 60,525 +2.000 U	1.600 58.300 III III	
9	*	61,575 +2,000 61	1,511	
ey average	g15.18	Jai 61,675 +2,090 61 Aug 89,480 +2,000 56	1,675 59,850 409 1,250 441 55	
OFFEE LCE LL.	***	Total	t1,671 8,631	
1151 +1 11 69 1161 +4 (1 3 11)	1145			
1151 +4 1163	1148	I ANDAN ED I		
+5 1167 1146	- 1,780 -		DED OPTIONS	
1148 - 1162	1162 3,273 1		Calls Puts	
 	1,835 CL 000 (1,835	M ALUMENTUM (69.7%) UME	Apr Jul Apr Jul	
OFFEE 'C' CSCE (37,500%)		1200	91 115 15 25	
+0.55	72.15 28,136 5,936 73.90	(20)	90 11 10	
76.20	.4,678 438	1250	91 = 40	
77,60	3,190 142 70,7U 1 61		Apr 20 Apr 20	
	80.40 826 10	1860	180 22 35	
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(CO) [US cents/pou	_		in in Mer in	
i daily	Pres. day 69.81	1100	55 g0 ii iii 20 g1 tg iii	
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07 PREMIUNI RAW SUGAI			Mar May Mar May	
+0.01 11.17 -0.02	10.68 1,241 Mil 919 -	900	12 M 32 51 S2 67	
11,45 +0.01	2,912 -	925	92 67 73 85	
	44.44 44 4			
VC31 1000 11.00		in Brent Crude Pi		
	6,107 55	1400	- 90 0 1	
THITE SUGAR LCE (\$400H)	6,107 55			
7-HTTE SUGAR LCE (\$/tonne 298.50 +1.30 298.70 2 +1.50 296.50 3	95.40 6,275 3,080 92.50 4,887	1490 1490	- 90 8 iii 41 98 18 50 21 96 48 78	
7-HTTE SUGAR LCE (\$/to/ref 298.50 +1.30 298.70 2 +1.50 296.50 3 297.60 +0.30 298.00 2	95.40 6.275 3,089 22.50 4,887 20.50 225	1460 1450 1500 LONDON SPO	- 50 8 8 8 41 56 18 50 21 36 48 78 T MARKETS	ı
7-HTTE SUCIAR LCE (\$/40*) 298.50 +1.30 296.70 2 1 +1.50 296.50 2 297.60 +0.30 296.00 2 298.30 +0.50 284.50 2 282.50 +0.50 384.50 2	98.40 6,278 3,089 22.50 4,887 225 28.50 2,807 313	1490 1490	- 90 g H 41 96 18 80 21 96 48 79 T MARKETS berrel/Max) +0/-	ı
7-HTE SUGAR LCE (\$-horist 298.50 +1.30 298.70 2 +1.50 296.50 3 297.50 +0.30 298.00 2 294.30 +0.50 394.50 2	98.40 6,275 3,080 22.50 4,887 25 35.50 2807 313 - 67 44 3	1400	- 90 8 141 95 18 50 21 96 48 78 T MARKETS barrel/Met +0.08	1
7HTTE SUGAR LCE (\$/to/rid 298.50 +1.30 298.70 2 11 +1.50 295.50 3 297.50 +0.30 295.50 2 294.30 +0.50 294.50 2 282.50 +0.50 294.50 2	98.40 6,275 3,089 93.50 4,887 25 94.50 2,897 313 67 44 3	1400	- 90 8 41 98 18 50 21 96 48 78 T MARKETS berrel/Mar) +01- +0.08 +.236	1
284.50 +1.30 296.70 296.70 296.50 +1.30 296.70 296.70 296.70 296.70 296.70 296.70 296.30 296.30 296.30 40.50 296.30 40.50 296.30 +0.50 296.70 296.70 296.70 296.70 296.70 296.70 296.70 296.70 296.70 296.70 296.70 296.70 2	5,107 55 28.40 6,275 3,080 29.50 4,887 225 28.150 2,807 313 28.150 44 3 28.150 44 3	1400 1450 1500 LONDON SPO SE CRUDE OIL FOS (per Dubel Brent Bland Brent Blend (Mar) W.T.1 (fprn est)	1 90 8 18 50 21 36 48 78 T MARKETS berrel/Max) +01-	1
7HTE SUGAR LCE (\$/10/14) 288.50 +1.30 288.70 289.70 2 287.50 +0.50 284.50 2 288.50 +0.50 284.50 2 282.50 +0.50 284.50 2 282.50 +0.50 284.50 2 282.50 +0.50 284.00 2 10.48 +0.50 284.00 2 10.48 +0.50 284.00 2	8,107 85 98,40 6,275 3,089 94,887 25 95,50 2,807 313 94,00 44 3 95,50 44 3 95,50 38,544 11,921 10,40 38,544 11,921 10,40 38,544 11,921	1400 1450 1500 LONDON SPO In CRUDE OIL FOS (per Dubel Brent Stand W.T.1 (1pm est) In CL PRODUCTS NWE	1 90 8 18 50 21 36 48 78 T MARKETS berrel/Max) +01-	
7HTE SUGAR LCE (\$/tomin 288.50 +1.30 288.70 2 11.50 285.50 1 297.80 +0.30 286.00 2 284.30 +0.50 284.50 2 282.80 +0.50 284.60 2 282.80 +0.50 284.00 2 UGAR 411" CSCE (112,000b 10.46 +0.67 10.51 10.88 +0.08 10.80	5,107 55 38.40 6,275 3,089 35.50 225 35.50 225 35.50 287 813 67 44 3 68. Cents/bet 18.40 38,54411,921 18.40 33,963 8,076 18.80 6,076	1400 1450 1500 LONDON SPO In CRUDE OIL FOS (per Dubel Brent Stand W.T.1 (1pm est) In CL PRODUCTS NWE	- 90 8 41 56 18 50 21 36 48 78 T MARKETS barrs/Max) +0.08 +335 prompt delivery CIF (corne) \$150-151 +1	
7HTE SUGAR LCE (\$/10/14) 286.50 +1.30 296.70 2 296.70 2 296.50 1 297.60 +0.50 296.60 2 284.50 2 282.80 +0.50 284.50 2 282.80 +0.50 284.60 2 282.80 +0.50 284.60 2 10.80 +0.50 284.60 2 10.80 +0.50 284.60 2 10.80 +0.50 284.60 2 10.80 +0.50 284.60 2 10.80 10.85	8,107 85 98,40 6,275 3,080 99,50 4,887 25 98,50 2807 313 84,40 44 3 98; conts/bet 18,40 38,544 11,921 18,40 38,544 11,921 18,40 38,544 11,921 18,40 38,544 11,921 18,40 38,544 11,921 18,40 38,544 11,921 18,40 38,544 11,921	1400 1450 1500 LONDON SPO TO CRUDE OIL FOS (per Dubel Brent Blend (Mer) W.T.J. (1pm est) TO CIL PRODUCTS NWE Premium Gesoline Gen. Oil	90 8 41 56 18 50 21 36 48 78 T MARKETS berrel/Max) +01- +0.08 +336	
7HTE SUGAR LCE (\$/10/14) 286.50 +1.30 286.70 2 297.50 +0.30 286.00 2 297.50 +0.30 286.00 2 286.30 +0.50 286.50 2 286.30 +0.50 286.00 2 286.30 +0.50 286.00 2 286.30 +0.50 286.00 2 286.30 +0.50 286.00 2 286.30 +0.50 286.00 2	\$107 55 \$28.40 6,275 3,080 \$25.50 4887 25 \$25.50 225 \$3.50 225 \$3.40 44 3 \$3.50 24 13,221 \$10.40 38,544 11,321 \$10.80 18,163 5,76 \$10.80 578	1400 1450 1500 LONDON SPO In CRUDE OIL FOS (per Dubel Brent Stand Brent Stand W.T.1 (1pm est) In CIL PRODUCTS NWE Premium Gesotine Ges Oil Heavy Fuel Oil Napritha	## 90 8 8 8 8 8 9 8 9 9 9 9 9 9 9 9 9 9 9	
7HTE SUGAR LCE (\$/10/14) 286.50 +1.30 296.70 2 296.70 2 296.50 1 297.60 +0.50 296.60 2 284.50 2 282.80 +0.50 284.50 2 282.80 +0.50 284.60 2 282.80 +0.50 284.60 2 10.80 +0.50 284.60 2 10.80 +0.50 284.60 2 10.80 +0.50 284.60 2 10.80 +0.50 284.60 2 10.80 10.85	98.40 6,275 3,080 225 3,080 225 3,080 225 3,080 313 57 3,080 44 3 3,080 44 3 3,080 44 3,080 10,40 33,544 11,921 10,40 33,544 1	1400 1450 1500 LONDON SPO TO CRUDE OIL FOS (per Dubel Brent Stand Brent Stand W.T.J. (1pm est) TO CIL PRODUCTS NWE Premium Gesoline Ges Oil Heavy Fuel Oil	90 8 41 56 18 50 21 36 48 78 T MARKETS berrel/Max) +01- +0.08 +336	
7HTE SUGAR LCE (\$/10/14) 286.50 +1.30 296.70	\$107 55 \$26.40 6.275 3.080 \$4.887 255 \$2.50 2.807 313 \$4.00 44 3 \$6. conta/lost 18.40 38.544 11.921	1400 1450 LONDON SPO It CRUDE OIL FOB (per Dubel Brent Bland Brent Bland (Mar) W.T.J. (fprn est) It OIL PRODUCTS NWE Prantum Gesotine Gas Oil Heavy Fuel Oil Naphtha. Jet Fuel	## 90 8 8 8 8 8 9 8 9 9 9 9 9 9 9 9 9 9 9	
74TTE SUCAR LCE (\$/to/11 288.50 +1.30 288.70 2 41.50 285.50 -1 287.80 +0.30 286.80 2 284.30 +0.50 284.50 2 282.80 -33 +0.50 284.60 2 282.80 +0.50 284.60 2	\$107 55 \$28.40 6,275 3,080 \$25.50 4,887 25 \$25.50 225 \$25.50 225 \$25.50 44 3	1400 1450 1500 LONDON SPO TO CRUDE OIL FOS (per Dubel Brent Blend (Mer) W.T.J. (1pm est) TO CIL PRODUCTS NWE Premium Gesoline Ges Oil Heavy Fuel Oil Napritha Jet Fuel Percelum Argus Estimates	## 90 8 8 8 8 8 9 8 9 9 9 9 9 9 9 9 9 9 9	
7HTE SUGAR LCE (\$/tomine 288.50 + 1.30 288.70 2 288.70 2 288.50 2 288.50 2 288.50 2 288.50 2 288.50 40.50 288.50 2 288.50 + 40.50 288.50 2 288.50 + 40.50 288.50 2 288.50 + 40.50 288.50 2 288.50 + 40.50 288.50 2 288.50 10.85 + 40.50 10.85 10	\$107 55 \$28.40 6,275 3,080 \$25.50 4,887 225 \$25.50 225 \$25.50 2,807 813 \$57 44 3 \$25.50 44 3 \$25.50 44 3 \$25.50 44 3 \$25.50 44 3 \$25.50 44 3 \$25.50 44 3 \$25.50 44 3 \$25.50 44 3 \$25.50 44 1,921 \$25.50 44 1,921 \$25.50 44 1,921 \$25.50 44 1,921 \$25.50 44 1,921 \$25.50 44 1,921 \$25.50 44 1,921 \$25.50 44 1,921 \$25.50 44 1,921 \$25.50 44 1,922 \$2	1400 1450 LONDON SPO It CRUDE Oil FOS (per Dubel Brent Bland Brent Bland (Mer) W.T.J. (fprn es) It Oil PRODUCTS NWE Premium Gesotine Gas Oil Heavy Fuel Oil Nachthal Jet Fuel Previeum Argun Estimates It OTHER Diper troy cots Silver (per troy cots)	## 90 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8	
7HTE SUCAR LCE (\$/10/11/2085.0) 288.70 288.7	8,107 55 38,40 6,275 3,080 39,50 4887 31,50 225 83,50 2807 313 84,00 44 3 82, Cents/Res 10,40 38,544 11,921 10,80 16,163 10,76 576 10,82 16,163 10,771 19,928 675,40 9,124 1,832 75,40 9,124 1,832 76,80 2,031 209 8,934 1,082	1400 1450 1450 1500 LONDON SPO TO CRUDE OIL FOS (per Dubel Brent Blend (Mer) W.T.J. (1pm est) III OIL PRODUCTS NWE Premium Gesoline Ges Oil Hearly Fuel Oil Naphitha Jet Fuel Poruleum Argus Estimates III OTHER IIII OTHER IIII (per troy est) Platinum (per troy est) Platinum (per troy est) Platinum (per troy est) Platinum (per troy est)	### 198 18 50 ### 18 18 50 ### 18 50 ### 18 50 ### 18 50 ### 18 50 ### 18 50 ### 18 50	
7HTE SUGAR LCE (\$/tomine 288.50 + 1.30 288.70 2 288.70 2 288.50 2 288.50 2 288.50 2 288.50 2 288.50 40.50 288.50 2 288.50 + 40.50 288.50 2 288.50 + 40.50 288.50 2 288.50 + 40.50 288.50 2 288.50 + 40.50 288.50 2 288.50 10.85 + 40.50 10.85 10	\$107 55 \$28.40 6,275 3,080 \$25.50 4,887 225 \$25.50 225 \$25.50 2,807 813 \$57 44 3 \$25.50 44 3 \$25.50 44 3 \$25.50 44 3 \$25.50 44 3 \$25.50 44 3 \$25.50 44 3 \$25.50 44 3 \$25.50 44 3 \$25.50 44 1,921 \$25.50 44 1,921 \$25.50 44 1,921 \$25.50 44 1,921 \$25.50 44 1,921 \$25.50 44 1,921 \$25.50 44 1,921 \$25.50 44 1,921 \$25.50 44 1,921 \$25.50 44 1,922 \$2	1400 1450 1450 1500 It CRUDE Oil FOS (per Dubel Brent Bland (Mar) W.T.1 (*Ipm est) It Oil PRODUCTS NWE Premium Gesoline Ges Oil Henry Fael Oil Naphtha Jet Fuel Product Statement of Product Argust Estimates If O'll-BR If per troy cold Pictinum (per troy cold Pictinum (per troy col) Copper (US prod.)	90 8 10 50 11 50 12 1 36 18 50 18 18 50 18 18 50 18 18 50 18 18 18 18 18 18 18 18 18 18 18 18 18	
7HTE SUCAR LCE (\$/10/11/2085.0) 288.70 288.7	\$107 55 \$28.40 6,275 3,080 \$25.50 4,887 2 \$25.50 225 \$21.50 2,807 813 \$75.40 44 3 \$25.50 44 4 \$25.50 4	1400 1450 LONDON SPO IL CRUDE OIL FOB (per Dubel Brent Blend (Mer) W.T.1 (1pm est) III OIL PRODUCTS NWE Premium Gesotine Ges Oil Heavy Fuel Oil Neprirba Jet Fuel Peroteum Argus Estimates III OTHER IIII (pm troy co) Silver (per troy co) Pelishum (per troy co.) Pelishum (per troy co.) Pelishum (per troy co.) Lead (US prod.) Lead (US prod.)	# 90 8 8 8 8 8 8 8 8 9 8 9 9 9 9 9 9 9 9	
7HTE SUGAR LCE (\$/to/11 286.50 +1.30 286.70 286.70 1 15.50 285.50 -1 287.80 +0.30 286.00 2 284.30 +0.50 284.50 2 284.30 +0.50 284.50 2 284.30 +0.50 284.00 2 UGAR '41' CSCE (112,000b 10.50 10.	\$107 55 \$28.40 6,275 3,080 \$25.50 4,887 25 \$25.50 2	1400 1450 1450 1500 It CRUDE Oil FOS (per Dubel Brent Bland (Mar) W.T.1 (*Ipm est) It Oil PRODUCTS NWE Premium Gesoline Ges Oil Henry Fael Oil Naphtha Jet Fuel Product Statement of Product Argust Estimates If O'll-BR If per troy cold Pictinum (per troy cold Pictinum (per troy col) Copper (US prod.)	90 8 10 50 11 50 12 1 36 18 50 18 18 50 18 18 50 18 18 50 18 18 18 18 18 18 18 18 18 18 18 18 18	
7HTE SUCIAR LCE (\$/tomic 286.50 +1.30 286.70 286.70 286.50 1.50 286.50 286.70 286.50 2	98.40 6,275 3,080 225 50 4,887 25 50 4,887 25 50 50 25 50 50 50 50 50 50 50 50 50 50 50 50 50	1400 1450 LONDON SPO IL CRUDE OIL FOB (per Dubel Brent Blend (Mer) W.T.1. (1pm est) III OIL PRODUCTS NWE Premium Gesotine Ges Oil Heavy Fuel Oil Naphtha Jot Fuel III OTHER III (per troy co)\$ Silver (ser troy co)\$ Pletinum (per troy co.) Palacitum (per troy co.) Palacitum (per troy co.) In (fuels Lumpur) I'm (fuels Lumpur)	### 1.05 ## 50	
7HTE SUGAR LCE (\$/to/11 286.50 +1.30 286.70 286.70 1 15.50 285.50 -1 287.80 +0.30 286.00 2 284.30 +0.50 284.50 2 284.30 +0.50 284.50 2 284.30 +0.50 284.00 2 UGAR '41' CSCE (112,000b 10.50 10.	98.40 6,275 3,080 225 50 4,887 255 2,807 313 57 44 3 385 Cents/Res 10.80 5,006 10.82	1400 1450 LONDON SPO E CRUDE OIL FOS (per Dubel Brent Blend (Mer) W.T.I. (1pm est) E OIL PRODUCTS NWE Premium Gesoline Ges Oil Heavy Fuel Oil Napritha Jet Fuel Perutum Argus Estimates E OTHES LET (US prod.) Lead (US prod.) Tin (fluels Lumpur)	### 195 18 50 ### 196 18 50 ##	
7HTE SUCIAR LCE (\$/10/14) 286.50 +1.30 286.70 286.70 296.50 +1.50 286.50 296.70 286.70	98.40 6,275 3,080 225 50 4,887 255 2,807 313 57 57 58 4,00 44 3 385 6,076 10,80 10,76 10,7	1400 1450 1450 1500 It CRUDE Oil FOS (per Dubel Brent Bland (Mar) W.T.1 (*Iprn est) It Oil PRODUCTS NWE Premium Gesoline Gas Oil Heavy Fael Oil Napriths Jet Fuel Perdum Argue Estimates It OTHER [per troy co.] Silver (per troy oz.] Copper (US prod.) Lesd (US prod.) In (fuels Lumpur)	### 198 18 50 ### 198 18 18 18 50 ### 198 18 18 18 18 18 18 18 18 18 18 18 18 18	
7HTE SUCAR LCE (\$/tomic 286.50 +1.30 286.70	\$107 55 \$28.40 6,275 3,089 \$25.50 4,887 2 \$25.50 225 \$21.50 2,807 813 \$25.50 44 40 2 \$25.50 44 40 2	1400 1450 LONDON SPO E CRUDE OIL FOS (per Dubel Brent Blend (Mer) W.T.I. (1pm est) E OIL PRODUCTS NWE Premium Gesoline Ges Oil Heavy Fuel Oil Napritha Jet Fuel Perutum Argus Estimates E OTHES LET (US prod.) Lead (US prod.) Tin (fluels Lumpur)	### 195 18 50 ### 196 18 50 ##	· · · · · · · · · · · · · · · · · · ·
7HTE SUCIAR LCE (\$/10/14) 286.50 +1.30 286.70 286.70 296.50 +1.50 286.50 296.70 286.70	98.40 6,275 3,080 225 50 4,887 255 2,807 313 57 57 58 4,00 44 3 385 6,076 10,80 10,76 10,7	1400 1400 1400 1400 1500 It CRUDE Oil FOS (per Dubel Brent Bland (Mar) W.T.1 (fipm end) If Oil PRODUCTS NWE Premium Gesoline Ges Oil Heavy Fuel Oil Napirths Jet Fuel Products of Percelum Argue Estimates If Office Truy code Silver (per troy code) Petichum (per troy code) Petichum (per troy code) In (ficele Lumpus) In (New York) Zho (US Prime W.) In (New York) Lon (day suger (este)	### 18	
7HTE SUGAR LCE (\$/tomine 288.50 + 1.30 288.70 2 288.70 + 1.50 285.91 - 289.50 2 289.50 - 289.50 - 289.50 - 289.50 - 289.50 - 289.50 - 4.50 289.50 2 282.50 + 0.50 289.50 2 282.50 + 0.50 289.50 2 282.50 + 0.50 289.50 2 282.50 + 0.50 289.50 2 289.50	\$107 55 \$28.40 6,275 3,089 \$25.50 4,887 2 \$25.50 225 \$21.50 2,807 813 \$25.50 44 40 2 \$25.50 44 40 2	1400 1450 1450 1450 1500 It CRUDE Oil FOS (per Dubel Brent Bland (Mar) W.T.I. (*Ipm est) It Oil PRODUCTS NWE Premium Gesoline Ges Oil Henry Fael Oil Napriths Jet Fuel Product Stainetes I OTHER I (Per troy cot) Paticum (per troy oz.) Copper (US prod.) Lesd (US prod.) Lin (fuels Lumpur) Tin (New York) Zinc (US Prime W.) [New weight) Pigs (live weight) Pigs (live weight) Lon. day sugar (raw) Lon. day sugar (sate)	### 198 18 50 ### 198 18 18 18 18 18 18 18 18 18 18 18 18 18	
AHTE SUGAR LCE (\$/tomid 286.50 +1.30 286.70	\$107 55 \$28.40 6,275 3,089 \$25.50 4,887 25 \$25.50 2	1400 1450 LONDON SPO III CRUDE OIL FOS (per Dubel Brent Blend (Mer) W.T.1 (1pm est) III OIL PRODUCTS NWE Premium Gesoline Ges Oil Hearly Fuel Oil Naphitha Jet Fuel Peruteum Argus Estimates III OTHER III OTHER III (IS prod.) Lead (US prod.) The (fluels Lumpur) The (New York) The (New Weight) Lon. day sugar (awa)	### 18	
######################################	\$107 55 \$28.40 6,275 3,089 \$25.50 4,887 225 \$25.50 225 \$25.50 2,807 813 \$25.50 44 3 \$25.50	1400 1400 1400 1400 1400 1500 It CRUDE Oil FOS (per Dubel Brent Bland (Man) W.T.1 (Vpm ed) It Oil PRODUCTS NWE Premium Gesoline Ges Oil Heavy Fuel Oil Napirtha Jet Fuel Products NWE Perfect (Per troy co.) Petichum (per troy co.) Petichum (per troy co.) Petichum (per troy co.) In (New York) Zho (US Prime W.) In (New York) Zho (US Prime W.) In (New weight) Lon. day sugar (swe) Lon. day sugar (swe) Tate & Lyfe export Barley (Eng. Seed) Maize (US Ned Yellow) Wheat (US Dark North)	### 18	
AHTE SUCAR LCE (\$/tominal 288.50 + 1.30 288.70 288.70 288.70 288.50 1 + 1.50 288.50 2 288.50	\$107 55 \$28.40 6,275 3,089 \$25.50 4,897 225 \$25.50 225 \$25.50 2,807 813 \$25.50 44 3 \$25.50	1400 1450 LONDON SPO It CRUDE Oil FOS (per Dubel Brent Bland (Mer) W.T.1 (fpm est) It Oil PRODUCTS NWE Premium Gesotine Ges Oil Heavy Fuel Oil Naphtha Jet Fuel Perelaum Apus Estimates III OTHER III (JS prod.) Patiedfum (per troy oz.) In (Suela Lumpur) In (New York) Zinc (US Prime W.) [Pre [Pre weight] Lon. day suger (raw) Lon. day suger (raw) Lon. day suger (raw) Whest (US Dark North) Rubber (Ms) Ry (Eng. feed) Maize (US Dark North) Rubber (Ms) Ry (Eng. feed) Maize (US Dark North) Rubber (Ms) Ry (Eng. feed)	## 90 18 50	
######################################	\$107 55 \$28.40 6,275 3,089 \$25.50 4,897 225 \$25.50 225 \$25.50 2,807 813 \$25.50 44 3 \$25.50	1400 1400 1400 1400 1400 1500 It CRUDE Oil FOS (per Dubel Brent Bland (Man) W.T.1 (Vpm ed) It Oil PRODUCTS NWE Premium Gesoline Ges Oil Heavy Fuel Oil Napirtha Jet Fuel Products NWE Perfect (Per troy co.) Petichum (per troy co.) Petichum (per troy co.) Petichum (per troy co.) In (New York) Zho (US Prime W.) In (New York) Zho (US Prime W.) In (New weight) Lon. day sugar (swe) Lon. day sugar (swe) Tate & Lyfe export Barley (Eng. Seed) Maize (US Ned Yellow) Wheat (US Dark North)	### 18	
AHTE SUCAR LCE (\$/tominal 288.50 + 1.30 288.70 288.70 288.70 288.50 1 + 1.50 288.50 2 288.50	\$107 55 \$28.40 6,275 3,089 \$25.50 4,897 225 \$25.50 225 \$25.50 2,807 813 \$25.50 44 3 \$25.50	1400 1400 1400 1400 1400 LONDON SPO It CRUDE Oil FOB (per Dubel Brent Bland (Mar) W.T.1 (*Ipm est) It Oil PRODUCTS NWE Premium Gesoline Gas Oil Henry Fisel Oil Napriths Jet Fuel Product Argue Estimates It OTHER OTHER Limpur) In (fount troy oz.) Paticulum (per troy oz.) Paticulum (per troy oz.) Paticulum (per troy oz.) Tin (fount Limpur) Tin (fount Cit (Fount Cit) Richer (JS Prime W.) Enter (fount Cit (Fount Cit) Richer (April) Richer (Marti) Richer (Marti) Richer (Marti) Richer (Marti) Richer (Marti) Richer (Rich Riss Not Feb) Coconut Ot (Frig)	## 90 ## 50 ##	
######################################	\$107 55 \$28.40 6,275 3,089 \$25.50 4,897 225 \$25.50 225 \$25.50 2,807 813 \$25.50 44 3 \$25.50	1400 1450 LONDON SPO III CRUDE OIL FOB (per Dubal Brent Blend (Mer) W.T.1 (1pm est) III OIL PRODUCTS NWE Premium Gesotine Ges Oil Heavy Fuel Oil Naphtha Jot Fuel Per troy ca)\$ Fletinum (per troy oz.) Pletinum (per troy oz.) In (fuels Lumpur) In (fuels Lumpur) In (fuels Lumpur) In (fuel weight) Lon. day suger (raw) Lon. day suger (wet) Tag. 8 Ligh export Barley (Eng. feed) Maize (US No.3 Yellow) Wheat (US Dark North) Rubber (April) Rubber (Medil)	## 90 ## 50 ##	
######################################	\$107 55 \$28.40 6,275 3,089 \$25.50 4,897 225 \$25.50 225 \$25.50 2,807 813 \$25.50 44 3 \$25.50 44 3 \$25.50 44 3 \$25.50 44 1,921 \$25.50 44 3 \$25.50 44 1,921 \$25.50 44 1,9	1400 1400 1400 1400 1400 LONDON SPO It CRUDE Oil FOB (per Dubel Brent Bland (Mar) W.T.1 (*Ipm est) It Oil PRODUCTS NWE Premium Gesoline Gas Oil Henry Fisel Oil Napriths Jet Fuel Product Argue Estimates It OTHER OTHER Limpur) In (fount troy oz.) Paticulum (per troy oz.) Paticulum (per troy oz.) Paticulum (per troy oz.) Tin (fount Limpur) Tin (fount Cit (Fount Cit) Richer (JS Prime W.) Enter (fount Cit (Fount Cit) Richer (April) Richer (Marti) Richer (Marti) Richer (Marti) Richer (Marti) Richer (Marti) Richer (Rich Riss Not Feb) Coconut Ot (Frig)	### 195 18 50 ### 196 18 50 ### 197 18 50 ### 197 18 50 ### 197 197 197 197 197 197 197 197 197 197	
AHTE SUCIAR LCE (S/to/m) 298.50 +1.30 298.70 298.70 298.70 1.50 298.70	\$4.40	1400 1450 LONDON SPO III CRUDE OIL FOB (per Dubel Brent Blend (Mer) W.T.1 (1'prr est) III CIL PRODUCTS NWE Premium Gesotine Ges Oil Heavy Fuel Oil Naphtha Jot Fuel Premium Argus Estimates III OTHER III (1'S prod.) Lead (US prod.) Relative (US prod.) Relative (US prod.) Relative (US prod.) Relative (US) Cocomut Oil (Priil) Socyabeans (US) Cocton (Melox) I Index	## 90 ## 50	
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Derivatives lift FT-SE indices to new peaks

By Steve Thompson

All the UK market's leading indices powered ahead to highs yesterday as a sudden burst of big buying interest in the FT-SE 100 March future, plus a persistent story that a cut in UK interest rates be imminent, caught marketmakers short of stock.

The suddenness and weight # buying int in in Footsie future caught dealers on the hop and transformed the market, with the leaders, Mid 250 stocks and the smaller companies' shares all rallying strongly from an initial bout 🍱 weakness and gathering throughout a dramatic

The FT-SE 100 Index ended a let 38.8 up an historic closing high of 3,520.3, having peaked at 3,520.4 only minutes before the close trading. FT-SE Mid Index, which regularly outperformed its senior index, finished 45.5 up at a 1 4,150.9.

Dealers share pres at the mall! If trading, was the FT-SE 100 around 10 points following the modest falls on Wall Street and Tokyo overnight. The market was widely regarded by Make as being overblown most marketmakers were mid to have have short of stock overnight. Little in the way of selling was noted for much of the morning, but dealers remained happy M absorb was raine that came was offer. The FT-SE 100 M the day's

The milder appearance of a buyer around JAM FT-SE 100 contracts, Goldman Sachs. the US investment bank, was the

low was down [17] iii 1447.3.

lament .	Dealing	Dates
"First Deelings: Jan 17	Jam \$1	Feb 14
Option Decimations: Jan 27	Feb 10	Feb 24
Last Duallogs: Jan 28	Peb 11	Feb 25
Account Day: Feb 7	Feb 21	Mar 7
New Los dealings	take	place from

catalyst for a searing upsurge in the futures and the market. By the time Goldman's business was completed, the future had risen some 20 points, driving III and market sharply better. The purchase of FT-SE 100 contracts was selfto pumped £175m into the market.

The market's was immediate. The 100 index accelerall and peaked just two

minutes before the close. Second a wall of fear," commented one marline dicho were also dined sharoly higher, with dealers aware that tomorrow sees the compared to in FT-SE Mid 250 derivatives, both futures and options, on the OMLX Exchange in London. The Liffe mar-Mid 250 Index futures contract

being launched on February 25.

The head of trading of the full leading UK integrated houses said: There was no obvious catalyst for the market; no lead from or economic dall It was purely futures-led and hit a market expected to lower." He added that institutions | underweight in equities in tried in buy the cash market but were unable to do m at prices. Consequently pressured into buying the future, which in turn we up

ketmaker. The rate cut story impacted strongly utilities, and particu-

larly on the electricity stocks. which above yields. Turnover in equities reached 1.0846bn shares, with man forms accounting for 68 per of the total. The value of customer business transacted on Tuesday was \$2.165bn. Bank shares we the Far Eastern-influenced stocks, Stanstage another big leap forward, 📹 latter boosted by the covered rant issued by BZW and the former reflecting is of imminent and substantial upgrades. Lehman Brothers, I investment bank, was was upgraded Abbey National National Westminster





2713.6

(22.81)

(6.26)

200

Electricity

Household Goods

Rey High-aut	•	
ndices 🚾 ratios		
T-SE 100	17.00	4000
T-SE E 250	77	+45.5
T-SE-A 350	1778.3	+19.6
T-SE-A All-Share	1764.11	117.1
T-SE-A All-Share yield	3.21	1

on & Pred.

Long git/equity ratio: 2,11

1 Tobacco +2.0 ... +1,9 2 Other Program Contraction of Dates +1.8 4 Life American .. +1.7 Gas Distribution

FT Ordinary Mail

10 yr Gilt yleld

FT-SE-A Non Fins p/e

Utilities surge on buy order

Electricity water surged ahead yesterday on reports a big buy reports from III M the UK's leading investment institutions and optimism interest rate min While the initial spurt Down hopes of an interest rate reduction in the man term. support fuelled by Market-

ment Management was a large

buyer of the sector on the back of receipts - said to be in the region of the - from European privatisation trust fund. Dealers they believed Training buying UK intillia a a holding investment ahead of in

upcoming privatisation issues. Sentiment was also boosted by share buy-back by Eastern Electricity. The Rec bought a Receive SHARE WHEN IN THE market and on Tuesday, adding to 1.2m bought shareholders approval buy buy further 11.8m shares. Yesterday, the stock surged 21 = record

722p. Elsewhere, hit record, 800p, up 24, and Northern reached an all-time high of 781p, s jump 🛍 22. Among the waters, Anglian 11 H

Reuters retreats

informadel pulled sharply in early trading as win swept the market that US investment Goldman Mail turned bearish on the stock. Goldmans has been a leading supporter of the share and change of stance would

a located blow to

8.1m shares, Speculation is an imminent split of Thorn EMI was as as gathered to hit a reserving

TRADING VOLUME

Val. Dey's 000s price chang

■ Major Stocks yesterday

sentiment. However, analyst

Mr Eric Philo said 🖿 had

merely taken the shell off Goldman's "priority list"

which selded is I most

nie in UK and mainland

Europe. He said he

buyer and predicted a limit price in WK of around

need within the ment

months. The heartumbled nearly initially but de-

The way back in the only it

the day x was on

unusually heavy limited of

highly compa-

rise 🖬 28. There renewed bid rumours as lysts pondered the ladest from the three Manne Initis for Paramount Communications in between 7 QVC Network. The battle but reignited the delicate unus market value of falling in multi-media fold, such Thorn, it also losing bidder may turn

and insurance glomerate BAT Industries 10 III SERI III III III house Ulf cut its home and lowturned and profit by £130m on concerns growth potential 📑 BAT's 📖 insurance arm, Farmers, Analyst Mr Carn Hitchings

attention in III UK group.

that he, "relative a coulden The of Mill III tobacco side." The shares fall 8 to 521p. Hong Kong related lands USUC and Standard Company power fam. In the of a strong Hong Kong market, and anticipation encouraging interim figures from the banking Buyof HSBC were number encouraged by a recommendation from Peregrine, Ind leading Hong Kong stockbroker. which put a target price of \$150 shares, equivalent to ■ further 200p on the UK price. The ordinaria

The upper makes secto was enlivened by the issue of a call warrant by SG Warburg on five of the stocks in the sector.

NEW HIGHS AND LOWS FOR 1 DAM

NEW HIGHS (441).

BANIOS (7) (2) Regeni, Inne) Valley, Welfferspoon (JU), BULLDING II CRESTRIN (11) AMEC. Do Stop PL, Allen, Andrece, Belley, Campbel & Amestrony, Cussans, Jackson, Lang () 6-ipe PL, Sponster, Status () 6-ibe PL, Belley () 6-ipe PL, Sponster, Status () 6-ibe PL, BELDG () AMATILS & MICHTS (12) CHEMICALS (9) ANTO, Alled Colloca, Camping M), Comentons, Do MATILS & MICHTS (TIS) CHEMICALS (9) ANDO, Alled Coloids, Canning (M), Cementone, De Wris, ICI, Kalon, Persion B, Yudo Catho, DISTRIBUTIONS (12) DIVERSIFICE INDUS, (15) ELECTRICITY (12) East Michanda, Monthon, Manuella, Michanda, Monthon, Manuella, Michanda, Monthon, Manuella, Michanda, Monthon, Manuella, Boubboard, South Western, Southern, Yorishine, BUECTTRING & BLECT EQUE (11) ENGINEERING (31) ENG. VEHICLES (A) AND RUBBOR, BOAR DO GAPE (F). BSG. Fast Technology, GNN, Lucias, Do Virta, Transy, EXTRACTIVE NIOS (11) FOOD MARIEF (4) Birnis SG. Gobal, MWS A, Morthwes (8).

EXTRACTIVE HIDS (11) FOOD MARBY (4) Bornle SCI, Global MANS A Monthowe (6). HEALTH CARE (6) American Inc., Assoc., Nursing Servs, Community Hepts, Ferraus, Borrot, Uniform, HOUSEHOLD GOODS (2) INSURANCE (4) FAI, Lownoss Lombert, Nelsen Huntl, Royal Ins., INVESTMENT TRUSTS (198) INVESTMENT COMPANIES (12) LESSURE & HOTELS (11) Busbird Fox. Boosey & Howless, Captic Commun. Composes. Horstoy, Houselosi, Manchester Urd., Parkdeen, Remeden's (14), Ryan, Thorn End, LIFE ASSURANCE (2) Stiffshirk, Liberty Life Assoc. Arica, MEDIA (20) Britannic, Liberty Life Assoc. Africa. MEDIA 229 MERCHANT BANKS (6) Hembros. Do 79:pc Pt., Joseph (L), Kleinwort Berson, Singer 8, Friedlander, Watruss, Oll. EXPLORATION III

PROD (5) Monument Oil, Tunker Rec., Villege Oil, INTEGRATED (3) Norsk Hydro, Yotel (3, Woodhide, OTHER FINANCIAL (15) OTHER Woodade, OTHER FINANCIAL (15) OTHER SERVIS & BUSINS (4) Anglo-East Plants, Figles, Plantstons, Soore, PRINCI, PAPER 8, PACKG (10) PROPERTY (15) RETAILERS, FOOD (7) Park.

GENERAL (16) Beans 1.) A. Brown PA, Christins Ind., Egol Coreld, Paying Flowers, Malint, Parks 1. Arts, Reject, 8thop. Signe Silv Pir. verso of Leather, Supports Silv Pir. Macro 4, Page (64, Rentold, Till, ECOMMUNICATIONS (5) Becurror Op 'A' N-V, De IV-V, Security Servis, TEXTLES III. APPAREL (8) In the Security Servis, TEXTLES III. APPAREL (8) APPARIEL ES AFICA Teodie, Derici Heel, Lemont, Receilout, TRANSPORT (8) WATER (2) Bristol Water, East Surrey, AFRICANS (2)

CELTS (6) ENGINEERING (1) Ferrum, OTHER CERVS II BUSING (1) Photo-Ms.

Each of the 20m warrants is issued at 135p, with a besket of 10 priced at

expire in August the exercise price 107.50p. Three the stocks performed strongly, with Have jumping 10% M 331%p. Mile Rentokil 11 m Chubb finished Is ahead at 421p. BET crept 3 ahead 📟 154 p, while Lincolne Salvwhich which profits warning Monday,

414 III 312p. Lore to lor on news that the company had appointed in finance director. The shares were also helped by covery in Algeria, and a I price Brent crude.

Biotechnology research group Celltech improved 9 👪 👅 on news 🚅 a breakthrough against rheumatoid arthritis. The company is developing a product which competes allh the III treatment highlighted yesterday. However, UBS remains a seller arguing that significant are unlikely before the turn of

Chemicals group Courtaulds lifted 13 to 538p with the help of a buy note from Shaw, the medium-sized broker. Speculation that international investor George Soros might polsed in immi in Medeva raised some eyebrows but the shares which plunged from a high of 220p in the sum-

the century.

mer gained 8 to 180p. Further losses at Euro Disney than the market feared and the shares put on 5 to 410p.

Cadbury Schweppes was one of the few shades of red among food manufacturers as investors and dealers continued to fret the possibility of the making a rights issue with in results next month. Among stores, film had another strong session, gaining 16 m 640p as speculation possibility of the group's porperty arm being floated contin-

ued. The company, which has

Limited and story, will the full-

year rental income for the division was in of £50m. Wire and engineering Bridon mannen from sharp decline early in Its makes In close 4 up at 160p. The initially 160 25 11 131p, after the group issued a profits warning, me said it would be making exceptional provisions of 120-025m

restructuring.
The market continued to appreciate the week's sale of Timer by Prices Aerospace III BMW and the shares gained another 28 to 573p. Component suppliers were Mid mandal by the same deal and BBA moved 223p, while UKI

put un 10 to 614p. Lucas Indus-tries closed 9 ahead at 232p. Consumer leisure products and packaging firm Porter Chadburn shed a penny to 21p,

after a profits warning.

Lonrho gained 8 = 1697-p. as investors anticipated a successful flotation for Ashanti Goldfields of Ghana in which it has **= 45** per cent stake.

MARKET REPORTERS: Christopher Price. Peter John. Joel Kibazo.

■ Other statistics, Page 24

Strong buying leading leading investment house, together with produced hopes of a reduction in rates, brought a squeeze in futures, sending the near month in the breaking through the 3,500 resistance 🔙 🖫 finish at an all-time hìgh, Joel Trans faltering start for the

Manuficulated in the FT-SE 100 at \$475 hinted at a quiet session ahead. However. demand by Independent traders and the return of optimism on Interest rates ahead of today's Bundesbank Council meeting, brought a turnround in the fortunes of the

FT-8E 100 INDEX FUTURES (LIFFE) \$25 per full index point Est. vol. Open Int. Low 1 23138 85261 3538.0

Mark I

FT-SE 100 INDEX OPTION (LIPPS) ("3517) 2:10 per full index point

EQUITY FUTURES AND OPTIONS TRADING

2275 2325 3378 5425 5478 3276 3235 stock option with a complete of the complet

303 7212

■ EURO STYLE FT-SE 100 INDEX OPTION (LIFFS) \$10 per full index point

Impetus to the rise, pulling the cash market higher.

imaintained a strong premium for most of the session, but dealers sald that with a shortage of stock in the equities him were few arbitrage opportunities.
The March communities ended

The buying of 2,000 lots, reported \$ have been done

by Goldman Sachs, Idah

at a record 3,530, up 49 from its previous close and 13 points above its estimated fair value to cash which now stande at nil. Volume was heavy, reaching 22,214 lots by the official close.

Traded options also saw hefty turnover, with 54,902 contracts dealt by the close, of which 18,176 were traded in the FT-SE 100 option and 8,465 in the Euro FT-SE

stock option with a total of 4,996 lots transacted and was followed by Argyll group . showed turnover in futures and options in January 1994 having increased by 93 per

cent from a year ago.

FT - SE A	otuarie	s Sha	are In	dices			7 <u>. </u>				he L	JK S	erie
			Fig. 3	Day's	Feb 1	Jan 31	Jan 26	Year	Div.	Earn.	P/E ratio	Xd adj	THE DOM:
T-8E 100				+1,1					8.89	880	85.80		No.
T-SE Mid 250			-	+1.1					0.64	4.95	28.60		
T-SE Mid 280 ex b	ny Trusta		4156.8 1778.3	+1.1		Water 7			1111	4.95			1236
T-SE-A 360 T-SE SmallCap			1774.3	+1.1 +0.8			2032.58		Mail		20.40		
T-SE SmallCap ex	iny Trust		2045.57	1000	2032.80	2012.69	1997.78	1514.43	2.77	4.00	35.58		
T-SE-A ALL-SHARE	E		1784.11	+1.1	1748.25	1746.95	1727.31	1396.35	3,21	1.60	•	1,68	
i i i -98 ven	Titl sea	All-O	Feb 2	Day's ongeti	Feb 1	Jen 31	Jan 25	Year	Dhv. ylek:196	Earn yield%	P/E retio	Xd edj	. To
10 MINERAL EXTE	RACTIONS	18)	Mary 188	+1.1	2649.37	2670.71	2815.27		3.29	4.75	26.03		104
12 Extractive Indus	tri⊕0(4)		MACH				3984.03			A4B	28.58 25,23		-
15 Oil, integrated(3))		1994.60				2529.62 1928.45			3.60	15.68		113
18 Oil Exploration					_		2169.58	_		2.08	44.95		110
20 GEN MANUFAC	TURERS([264]	2232.88	+1.0	1501.60	1480.69	1475.21	892.00		1.17	44.30		
21 Building & Cons 22 Building Matts &	L Marchad	eco.	dina	+0.5	2382.63	2352.33	2350.12	1490.60	1.00	2,43	56.82		
23 Chemicals(20)			10	+1.6	2472.79	2469.24	2434.65	2072.70	1.00	0.34	- 3		77
24 Diversified Indus	strials(18)		2231.57				2144.79		2.00	4.42	22,47		110
25 Bectronic & Be	ct Equip@	4)	2241.87 2011.17	+0.5	1980.68	1984.05	1935.35	1442.40	125	1.95	80,001		-6
26 Engineering(72) 27 Engineering, Vel	Niclosift 21		2516.71	+1.9	2470.90	2403.82	2398.06	1875.70	4.12	200	40.75	100	100
Printing, Paper	& Pckg(27))	2940.24	+0.4	2927,12	2926.87		2321.70	2.75	8.21	28.25		13
Textiles & Appa	rei(22)				_	_	-		3.24	4.92	25.50		111
CONSUMER GO	0008(93)		3037.87	+0.9	3010.69	3032.35	3015.10 2387.39	2899.30	3.67	6.48 7.18	18.24 17.12		3
1 Brewerles(17)			2391.04	+0.5	2171 10	3201.52	3152.78	2970.30	3.51	1.10	19.68		108
2 Spirits, Wines & Manufactu	Cideration	ŋ	d an area	+0.9	2548.71	2544,74	2533.10	2371.20	1.0	1.67	18.05	2.80	10
Manufactu enold Goo			2872.12	+1.8	2822.52	2839.97	2811.54	2414.90	2.98	6.39	11.4	0.00	100
Health Care(20)			-	+1.0	1888.54	1894.75	1895.75 3181.89	1844,90	2.82 3.77	5.04 6.36	18.33		107
7 Pharmaceuticals	(101)		9193.53 4366.52	+1.6	3144,14 4437 83	4500.75	4412.68	4093.10	4,61	7.29	15.99		94
8 Tobacco(1)			2183.70	_			2139.16			5.19	23,45		104
IO SERVICES(221)			2163.70	+0.8	3293.71	3261.38	3232.50	2491.20		4.70	100	1.24	100
12 Leisure & Hotel	W221		200	+0.9	2327.80	2340.32	2313.87	1765.80	1.00	5,16			112
(2 Dassard G 1 Dags (3 Media(40)				+0.8	3273.04	3272.69	3231.37 1854.25	2246.10	3.66	3.91 9.59	30.58 12.94		96
4 Retailers, Food(17)		1666.61	-0.7	1891.98	1824.86	1795.95	1474.90		5.02	12.00		-
is Retailers, Gener	<u>al</u> (43)		10-10.57	+2.4	1822,39	1827.38	1828.23	1543.10	2,10	200	10.0		111
(8 Support 19 Transport(16)	_		Transition of	41.6	2754.17	2779.26	2738.01	2068.50	2.99	3.25 3.21	34.79		113
Other Services	& Business	(12)	1343.08				1335.16				15.65		103
UTILITIES(36)			110	+1.4	2724.57	2732-26 2578-83	2709.92 2577.27	1529 70		7.71	13.00		100
12 Electricity(17)			26 23	-0.3	2357 =	2357.39	1 2344 35	1895.20	4.87	7.20	17.35		104
4 Gas Distribution	(2) topolát		2450.42	+1.3	2419.57	2422.98	2389.48	1949.40	100	5.77	21.22		10
36 Telecommunicat 38 Water(13)	1012541		2109,36				2066,97			10.74	10.28		10
9 NON-FINANCIA	LS(632)		1870,36				1833.71		3.29	5.33	22.99		125
			FT28.34	+1.2	2703.55	2698.83	2668.69	1888.50	3.06	2.95	48.60		104
70	_		200	+1.7	100	1578.89	11111		130				-
3 Insurance(16)			2896.32	10.0	2880.88	2877.47	200	2447.50	4.03	M	29.96		40
74 Life Assurance(6			3781.29	+1.6	3707,33	3706.74	-	2107.90		* 7			110
75 Merchant Banks			2241,52	+0.1	2240.03	2231.33		1306.50	2.77	4.82	40.00	KW	m
77 Other Financial	2.07		1878,97				1857.21		3.28		46.32		104
Property(40) 80 INVESTMENT T	RI ISTS/11	19)	TYPEM!				3096.19		1.99	1,60	τ.		105
80 INVESTMENT I	HARE/858	n	1764.11	+1.1	1745.25	1745.95	1727.31	1396.35	* 1		25.85		134
Hourly mo													
I MOUNT AND	Open	9,00	10.0			and .		14.00	15.0			h/day	
	3471.2	2094	7-71		_	134.0		3517.4	MALE .			2	348 410
T-SE 100 T-SE MHD 250	4102.0	4105.6	4117.				PITTER I	1776.7	10.00			W.	170
-SE-A 350	1764.4	1755.7	1761.	4 170							-		

1457.3 1457.1 1467.7 1468.1 1474.8 1 1480.5 1481.7 3199.9 3104.1 3113.8 3122.5 2085.2 2086.8 2107.1 2077.1 2090.4 3537.4 3583.2 3580.1 310.0 1480.5 1481.7 3111.7 3111.7 3111.7 3151.7 2074.9 3583.2 3580.1 Additional information on the FT-SE Actuaries Share Indices is published in Seturaby issues. Usts of constituents are available from The Financial Times Limited. One Southwark Bridge. London SE1 9rd. The FT-SE Actuaries Share Indices Service, which covers a range of electronic and paper-based products under indices; in evaluable from FNSTAT at the same address.

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FT-SE Actuaries 350 Industry baskets

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RISES AND FALLS YESTERDAY British Funds Other Fixed Inten Others 1,072 391

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& N, Trafalgar Hee,	Upton & Sthm, Ven	son, Westland, Puts	: Celrd 7% Pf, Dorling

LONDON RECENT ISSUES: EQUITIES

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FINANCIAL TIMES EQUITY INDICES 2 Feb 1 Jan 31 Jan 28 Jan 27 Yr ago 💌 🚟

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Ord. div. yield	3.43	3.48	3,47	3.52		4		3.43
Earn. yld. % full		1			4.00	-		3.89
P/E ratio net	32.46		32,13		31.53	21.96	32.46	19.40
P/E natio nil	30.09	2.00	29,79		29.23	20.25	30.09	18.14
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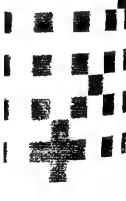
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		Feb 1	Jan 31	Jan 28	Jan 27	Yr ago
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MONEY MARKET FUNDS

CURRENCIES AND MONEY

MARKETS REPORT

Sterling trades lower

Rumours about 📟 Bank 🖤 England trying to cap the rise of sterling caused the UK curto weaken yesterday, writes Philip Gawith.

The release of than expected January UK official reserves appeared to be the cause for sterling falling below DM2.59 and \$1.50 in early European trading. The currency regained some of its losses the D-Mark, but stayed weaker against the dollar in London trading

There was little activity in the EMS grid ahead of today's meeting of the Bundesbank council which will consider whether to monetary policy.

■ With no statement forthcoming about the monthly tary policy meeting between UK chancellor Mr Kenneth and Mr Eddie George, governor of the Bank England, pesterday turned in UK for Marking Herm of the figures, which were higher than forecast, pushed III pound below key technical support prompting further selling.

one explanation or why the level of reserves caused ling weakness was that traders Ma it as evidence had had Bank III England had tried III and sterling's appreciation.

Analysis reasoned that the rise in the reserves, which are dollar denominated, that sterling had i sold. Mr Luxton of Barclays com-"Although the back says it has no formal targets sterling, the figures do lend credence to the view that ii 🖫

Against the dollar (Yen per \$) Jan'94

speech by Mr George on Tuesday evening, in which he prospects for indianal output growth and gradually falling unemployment were Their than at any line in his 31-year professional career. Lunch-time rumours in the stock market of a possible base put further downward on sterling.

analysis, however, were expecting a UK rate cut to emerge from yesterday's meeting. I was Will that II Mr wishes to maintain his credibility, he needs more compelling evidence of an ecorently available, if he wants to

Justify easing rates.

Mr Clarke's positive comthe strength of the economic recovery have given no evi-

cut, while 10 saw no easing. Of those expecting a rate cut, seven forecast a 50 basis points in both the Lombard and discount which, tively, provide a ceiling and a floor between which the Bundesbank offers liquidity to the market.

Mr Holtham said it would unusual for the central bank to cut rates in the middle of wall wage talks. The Bundesbank has always taken pay negotiations as a key indicator inflationary pressures. Although these are going well overall, the Bank is expected to higher profile unions, such as 🌃 Metall and IG Bau, to settle before making its move.

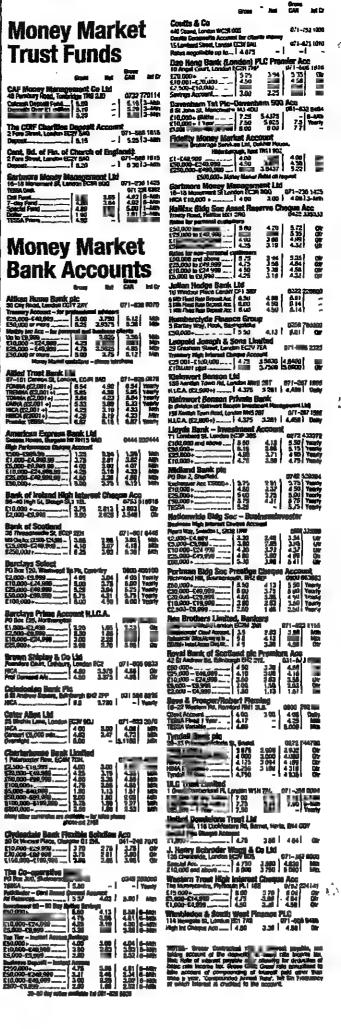
Mr Holtham said he did not believe German money supply figures, or perceived D-Mark weakness, were obstacles to easing policy. He that the dollar had fallen back from highs of DM1.76-77 and Land insufficient tum behind 🔤 currency 🐚 within the Thirdenberg

■ After recent gains against the dollar, weakened slightly yesterday in in in London 1 Y108.050 from Y107.640 on Tuesday. Some evidence of the shape of the fiscal stimulus planned by M government emerged late yester-day. Mr Morthiro Hos the Japanese prime minister, announced use government proposed in implement income in cuts totalling Y5.3trillion, all from Jan-uary 1 in the three years we will see a tax revenue will increase household

POUND					74 (14.			-					
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Dermark	200	10.0690	4119490	641 - 738	10.00	М.,	MARY III	-1.3		-1.0	10.11	-11	114.
Finland	14	8.2748	100	643 - 848		8.2430	-	•	-	-	-	-	
	(FFr)	8.6026	-	974 - 077	8.8251	100	8.8099	-1.0		OU	Y 100	-0,4	107.
A COLUMN TWO	PA.	200	-0.01	915 - 941	2,6059	2.5860	2.5943	-0.7	2.586	-0.5	2,5956	-0.1	121.6
_	64	13.65	-1,134	579 - 127	374,195	371.386	-	-	-	-	-	-	-
	(82)	1.00	-	410 - 428	1,0700	1,017	40.00	-61	10.0	MI	100	-0.5	
May .	(1)		-11665		2533.97		1.00	100	- L	-84		-2.6	76.1
Luxembourg	(LFr)	53.5906	-0.115	390 - 421	53.6899	53,4908	100	÷1.2	ALC: U	-1.1		-1.0	113.
A 2010 1 1 1	-	2.9050	-0.1	THE PART		1	A STATE	0.0		-0.1	T		117.7
Yorway	(NKr)	11.1470	-0.0475	418 - 522	11.1942			0.4	11,1375	0.3			84.5
Portugal			-1.70	790 - 264	282,057			-5.9	264.452	-5.2	-	-	
Spaln	-	210.347	-0.421	201 - 492	211,215		210.922	100	212052	-	10.46	-2.8	85.1
Sweden	(Mile)	11.8400	-0.0199	285 - 514	11.8768	11.7467	$\mathbf{w}_{-\mathbf{v}}$	-24	11.8945	-1.6	12012	-1.5	77.2
Switzerlend	(SFr)	2,1730	-0.0055	715 - 745	2.1755	2.1662	21711	1,0	2,1662	1.3	1429	1,4	118.0
JRC	(E)	-	-	-	-	-	-			•	-	-	82.0
Ecu .	-	1.3352		M 3			⊢ .	1.2		-60	1.342	-448	
SOF	-	0.921084	-	-	-	-	-	-		-	-	-	-
Voerting	(Peso)		-2 V III	920 - 931			-	-	-	-	-	-	
ी बर् यो	(C)			733 - 224	10 PM	699.000							
_	(C2)	1		839 - 850	100	100	1,9823	1.6	1,9767	1.7	1,9616	1.2	81.2
	Peso)	1.00		389 - 450	1	100	_				-		
JSA	(2)	1.4950	-0.0121	945 -	1,000	100			1,4574			1.4	
ecific/Middle		Africa											
Mad Elic	(A\$3)			911 - 940	0.500	2.0900	6000	0.9	and the same of	100	2.0866	0.5	
long Kong		11.5474	- 1	g - 🛒	0.000				11,4914	1.9	TERRE	1.4	
ndla	(FIS)			787 - 176	47.0630								
lapen	(Y)	444		406 - 664	163.160		161.14	28	160.255	3.2	156.735	3.0	181.5
vialeysia		4.1427	-0.0327	405 - 448		4.1377	-			- :		-	
		2.6134		109 - 159	2.6261	2,6109	2,6163	-1.3	2,5206	-1.1	2,6292	400	-
hilippines	-	41.3369		240 - 497	41.9867	41,0240	-	-	-	•	•	-	
Sauci Arable	(SFI)	0.0040		026 - 076	1000	0.000	-	-	•	-	•	-	-
Singspore		2.3729		713 - 744	-	2.3697	-	3.0		•		-	
Africa (Cont.)		5 106R		030 -	6 0200	5.1021		[=		-	•	-	-
Africa (Fin.)	(FI)	1007.44		796 - 58	6.6309	6,5795	-			-	-	-	
COUNT KONSE	(Word	1207.44		696 - 792	1212.51		-	-	•	•		-	-
atwan	(12)	39.5054		847 - 261	39.6600			-		-	•	-	-
Theilteinch SOR auto for Fei	(34)	37,9856		155 - 156	38.1250		-	-	-			-	-

41		Closing mid-point	Change on day	Bid/offer spread	Day't	iow	One m	MPA	Three m	MPA	One y	NFA	J.P Morga Index
lurope													
Name of the least	(9ch)	10.00		1666 - 1906		12,1508	12.213		12,253		12,353		
Selgium	100	HEADS	+0.2115	240 - 880	35.8890	35,7200	35.9465				36.6665	-2.3	103.4
)enmark	100	0.790	+0.0272	341 - 381			8.7538	-3,3	6,7858	-3.0	6.8551	-1,8	103,4
intand	(FM)	0.044	1000	Marine	11.50	5,4959	6,5413	-1.4		-1.3	5.5633	-1,1	78.7
tança	(FFr)	5,8880	+0.0219	865 - 898	5.6917		5,9031	-3.1	5,9316		6.9937	-1.6	104.0
ermany	(D)	1.7343	+0.0073	340 - 346	1.7360	1.7281	1,7383	-28	1,7453	-26	1,76	-1.6	103.4
prescu	=1	249.400	+1.25	300 - 500	250.600	248.170	282.75	-16.1	259.9	-18.8	290,4	-16.4	71.4
reland	100	1,4349	-0.0118	341 - 356	1.4458	1.4341	1,4317	27	1.4252	2.7	1.4078	1.9	_
wly	e)	100	100.2	OO 1 1	1984.00	1900.3	1697.5	-5,0	1711.7	-8.0	1758	-4.0	76.6
Describerto	(LPH)	100	40000	240 - 199	35.8690	35,7200	35,9465	-3.3	38.1315	-32	31.6955	-2,5	103.4
Andread of the last	(FI)	1.9431	+0,0064	426 - 436	1,5	1,9379	1,9465	-21	1.9525	-1.0	1,9631	-1.0	103.0
lorway		7.4562	+0.0284	552 - 572	7.4710	7.4221	7.4667	-1.7	7,4879	~1.7	7,5482	-1.2	94.8
crtugal	75		-4.8	700	175.500	174,100	175.59	-6.8	177.6	-6.0	185.1	-6.0	94.2
		100-70	100	- 750	1000	100	141.33	-5.4	142.565	-5.2	148.57	-42	80.9
100	(SKr)	10.00	+0.0504	147 - 247		100	7.0472	-42	7.9987	-4.0	8.1522	-2.9	83.0
witzerland	(BPr)	7 4 8 10	+0.006	530 - 540	1,4551	1.4477	1.4547	-1.0	1.4563	-0.8	1,4545	-0.1	104.3
RC	100	4930	-0.0121	945 - 955	1,5010	1.4932	1,4924	21	1.4874	2.0	1.4747	1.4	91.5
	~	1.1198	-0.000	185 - 200		11123	1,1167	100	1,1115	30	1,717	1.9	
DR		1.00		100 - 000		1.1140	1,1101	-	4,1110	5.0	_	1.0	_
morions	_		_	_	-	-	_	-	_	_	_	_	_
rgentina	(Peso)	0.9984	-0.000	883 - 88	0.9984	400	_	_		_	_	_	_
72.71	(Ci)	476.240	+8.882	235	478.245								
7.00	CE	1.3278	-0.007	275 - 280	1,41177	1,3260	1.000	-0.5	1,3291	-04		-0.2	87.6
	Pesci	1-9676	The State of	040 - 080	2.000	3.1040	100	-0.3	£19681	-0.6	100	-U.2 -0.5	4
HEALED (FAIRM	- major			U4U - U9U	0.000	271040		_	0.00	-0.0	40.0	-0.6	
erific/Middle	Seet//				-	-		_	-	-			
	1000		-	500 500	4 4000	4 00 4=			4 4000				
ustra ia	_	1.3997	-1100	865 - 005	1,4023	1,3945	1.0	44	1.4038	-1.1	1,4111	-0.8	E.88
long Kong	THE STREET	7.7240	16,00%	235 - 245	7.7245	1.55	7.7266	-0.2	7.726	-0.2	M.	-03	-
rda.	(Flu)	31.3700	+0.000	676 - 725	100	-	NAME OF TAXABLE	-2.5	31.57	-44	-		
apan .		108.0500	+0.41	000 - 000		IV.	67.30	0.8	107.765	1.1	106,295	1.6	142.4
lelayela	(MS)	2,7710	-0.000	705 - 715	2,7740	Alpha C	2.7845	2.8	100	1.1	- 4/8	-0.5	_
lew Zeeland	(NZB)	1.7481		470 - 492	1.7510	1.7479	1.7497	-1.1	1704	-1,4	100	-1,2	-
Mark State	(Peac)	27,8500	-		27.9000	27,A500	-	-	-	-	-	-	_
audi Arabia	100	7.4103	-0.0007	488 - 498	3,7504	3,7488	3.7517	-0.5	2.78	-0.7	3,7748	-0.7	_
Ingapare		1 272	+0.0027	867 - 877	1.5868	1.5646	1,5861	0.9	120	0.8	1,5962	-0.8	_
Africa (Com.)		1,4183	- Q - A -	145 - 160	200	SAFE	A CHI	-60	5.4017	-54	3,5685	-4.5	_
Africa (Fir.)	- 66	4.45%	1	025 - 125	1,4200	4.00	N-Cami	-8.4	7,000	-8.2		-	-
outh Korea	(Worth	807,850	- 40	- 10	807,800	807,600	810.65	-4.5	814.15	-32	232.65	-3.1	-
alway	(18)	28,4250	-0.005	200 - 300	25,4300		28.5275	-4.7	26.675	-3.8			_
heliand	90	25,3950	-0.03	700 - 200		25,3500	25,465	-33	25,606	-33	25.748	-1.4	_

above DM2.60." Others are sceptical against all the main currenthis explanation. Mr Gerry Holton, London DM2.5628 and was	Argentins (Pecc) 0,9864 - 1.	983 - 0.9884
man Brothers, notes: "It may be a plausible account of why sterling weakened, but it is not a credible explanation about how the Bank behaves. I don't shead of today's Bundesbank	with £750m late, unspecified assistance. Later later day, it put £219m of assistance into the market at the established	982 - 902
think the Bank believes it can council meeting, the D-Mark influence the sterling in fairly narrow for long. Also, if it wanted to range. Opinion was evenly	The £300m upward religion the expected shortage, from	705 - 715 2.7740 2.7845 2.8 1.1 -1.5 -4.705 - 715 2.7945 2.8 1.1 -1.4 -1.2 - 4.705 - 492 1.7518 1.7497 -1.1 1 -1.4 -1.2 - 4.805 - 495 3.7504 3.7498 3.7517 -0.8 -0.7 3.7748 -0.7 -
talk sterling down, then divided as not the central bank would relax (governor Bank policy, in policy, in contral bank would relax	lending overnight Sangapore 1 272 +0.0027	867 - 877 1.5865 1.566 1.5861 0.9 0.8 1.5962 -0.8 - 145 - 160 1.5865 1.566 1.5861 0.9 0.8 1.5962 -0.8 - 025 - 125 -0.8 -0.8 -0.8 -0.8 -0.8 -0.8 -0.8 -0.8
England) going out and talking as he has been doing." This is a reference to a the German	5½-% per cent level in the Televan (TS 28.4250 :-0.005 morning to a high of 8% per Theiland (St) 25.3950 -0.02	807.800 807.600 810.65 -4.5 814.15 -3.2 832.65 -3.1 -200 -300 25.4300 25.4100 26.6275 -4.7 26.675 -3.8
CROSS RATES AND DERIVATIVES	ON ANY IMPACT OF CAMPACT PROPERTY COLUMN	
Feb.S BRY III FRY DM IC I, FI Belgium III VIII III ACC VIII 4716 FMI	NIG Es Pa BP E E CS S Y Esse 20.81 487.0 382.4 14.01 14.01 14.01 14.01	Rate Company % 1/- from spread Dh. Against Ecu on day cen. rate v westest ind.
Prance (Pr) 60.88 11.44 10 1.184 1.300 Cermany (DM) 11 3.884 3.366 1 1 2425 1 1 1 2425 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	11.07 259.2 288.9 1 1.76 1 2.466 1 1 2.255 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Ireland
tably (L) 2.121 0.388	1.441 1.341	Prance 8.59724 1000 1.38 1.41 -7 Portugui 1.38 1.41 1.44 1.50 -10 Spein 1.44 1.44 1.50 -10
Spain 25.48 25 2.454 2.4	1241 100. 100 10	NON ERM MEMBERS Grocce 284.513 279.385 -0.336 5.82 -3.13 - taby 1793.19 1896.33 -0.05 8.76 -3.25 -
Geneda 27.00 6.073 1273 1273 128 (5) 1273 128 (5) 1273 128 (7)	131.5 144.7 7.920 1 1,328 1 10 0.893 69.64 1816 17.321 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	UK 0.765749 0.749681 +0.003586 -4.71 7.37 - Ecu certiful rates set by the Buropean Commission. Currencies are in descending relative stranger. Percentage changes are for Ecu; a posture change denotes a white currency. Divergence shows the recommendation between two spreader the percentage difference between the actual market and Ecu central rates for a currency, and the internation permitted percentage deviation of the currency's market rate from its
Yen por 1,000; Deneth Kronor, French Franc, Norwegen Kronor and Swedish kronor per 10; Belgian III ID-BEARICK PUTURESS (MMI) OM 125,000 por DM	Franc, Escudo, Line and Pesses per 100. III JAPANESS YEN FUTURES (MW) Yen 12.5 per Yen 100	for a currency, and the information perfecting deviation of the currency's interver rate from its four central rate. (17/9/92) Starting and Bolan Lim guapereded from ERM. Adjuscement calculated by the Financial Times. III PRINLADED PRISA SEL 8/8 OPTIONS 1(3) (250 (cents per pound)
Open Change High Low Est vol Open Int. Mar Jun 100 100 100 100 100 100 100 100 100 10	Listest 0.0022 Listest 1.00 Open Int. Jun 0.0289 0.8290 -0.0023 0.8282 0.8282 870	Stree - CALLS - PUTS - PUTS - Price Feb Mar Apr Feb Mar Apr 1.400 9.15 8.93 8.85 - 0.04 0.15
** States PressC PUTCHESS (MMA) SF7 125,000 per SF7 Mar 0.6876 -0.0011 0.6900 0.6876 41,694	# STIERLING PUTURES (IMM) 282.500 per E Mar 1.4980 1.4916 1.4980 1.4980 1.4980 1.4980	1.428 0.73 0.57 0.89 - 0.08 0.42 1.450 4.25 4.33 4.71 - 0.25 0.29 1.300 1.87 2.50 3.06 0.14 0.92 1.78 1.500 0.48 1.17 1.87 1.07 2.08 2.96
Jun = 0.0878 +0.0005 0.8885 111 663	Mar 1.4950 1.4916 1.4950 1.4872 72 Sep 1.4780 1.4850 1.4780 1.4780 1.4780 1.4780 - 1	1.525 0.02 0.43 1.04 3.03 3.78 4.61 Provious day's vol., Calls 11.847 Puts 31.000 . Prov. day's open lat., Calls 475,004 Puts 461,478
WORLD INTEREST RATES MONEY RATES February 2 Over Sta Onto	III THREES MONTH EUROMARK FUTURES (LIFFE) DM1m points of 100%	UK INTEREST RATES LONDON MONEY RATES
### ### ### ### #### #################	Mar 94.42 -0.01 219800 Jun 94.89 se -0.03 30505 179214 Sep 9782	Peb 2 Over- night 7 days notice notice One months Three Six One months One months Interbunk Sterling 7½ - 8½ 8½ - 8½ 8½ - 8½ 8½ - 8½ 8½ - 8½ 8½ - 8½ 8½ - 8½ 8½ - 8½ 8½ - 8½ 8½ - 8½ 8½ - 8½ 8½ - 8½ 8½ - 8½ 8½ - 8½ 8½ - 8½ 8½ - 8½ Sterling COs - 8½ - 8½ 8½ - 8½ 8½ - 8½ 8½ - 8½ 8½ - 8½ 8½ - 8½
France 0.1 6.1 6.1 6.1 5.1 4.0 - 7.75 week ago 6.0 6.0 6.8 6.8 6.1 5.4 6.20 - 7.75 6.00 week ago 6.13 6.05 5.80 5.50 5.28 6.75 6.70 6.00	Dec 118204 If THREE MONTH EUROLIPA INT.RATE PUTURES (LIFFE) L1000m points of 100% Sett price Change I Est. voi Open Int.	Treasury Bills
Instance	91.82 - 1 91.81 3876 42785 Jun -0.01 82.43 52.60 1759 22680 Dec 93.07 - 93.10 93.05 1203 12704	UK clearing bank base lending rate 5½ per cent from November 23, 1993 Up to 1 1-3 3-6 6-9 9-12 month months months months months
Work ago 5.66 5.43 5.24 5.02 4.86 - 5.25 - Switzerland 4'4 4'4 4'4 33 3'4 6.625 4.00 -	THREE MONTH BURD SWISS FRANC FUTURES (LIFFE) SF/Im points of 100% Open	Certs of Tax dep. (£100,000) 1½ 4½ 4 3½ 3½ Certs of Tax dep. under £100,000 is 2½pc. Deposits withdrawn for cash 1pcl. Are, tender rate of decount 4.553pc. ECCD fixed rate 5dg. Export France. Make up day January 31, 1894. Apres drate for position of the 5dg. 1994. Schemes is 8 til 6.10pc. Reference rate for
week ago 4's 4's 4's 4's 38 3% 6.625 4.00 -	1000	period Jan 1, 1994 to Jan 31, 1994, Schemes IV & V 5 434pc, Finance House Base Rate 512pc from Feb 1, 1994
work ago 4's 4's 4's 30 3% 6.625 4.00 - US 3½ 3's 3's 3's 33 - 3.00 - week ago 3 3's 32 - 3.00 - week ago 2's 2's 2½ 23 2½ - week ago 2's 2's 2's 2 15 - 1.75 -	96.54 -0.02 96.58 96.53 400 Dec -0.03 96.68 96.53 203 2118 THREE MONTH ECU FUTURES (LIFFE) Ecul m points of 100%	THREE MONTH STERLING FUTURES (LIFFE) \$500,000 points of 100%
work ago 4'n 4'i 4i 30 34 8.625 4.00 - US 34 3'i 3'i 33 - 3.00 - work ago 3 3'n 31 32 - 3.00 - depen 26 2'i 24 24 23 26 -	Open	Open Sett price Change High Low Est. vol. Open Int. Mar 94.67 94.64 -0.04 94.71 84.63 24107 Jun 94.86 94.82 -0.07 94.90 94.81 25679 Sep 94.91 94.84 -0.08 94.94 94.84 6680 56089
work ago 4's 4's 4's 3C 3's 8.625 4.00 - US 3's	Open	Open Sett price Change High Low Est. vol. Open Int. Mar 94.57 94.54 -0.04 94.71 94.63 24107 Jun 94.86 94.82 -0.07 94.90 94.81 25679
work ago 4's 4's 4's 3C 3's 8.625 4.00 - 4.00 3's	Three Month Eurobollar (MA) Sim points of 100%	Open Sett price Change Fligh Low Est, vol. Open Int. Mar 94.57 94.54 -0.04 94.71 84.63 24107 Jun 94.86 94.82 -0.07 94.90 94.81 25679 Sep 94.91 94.84 -0.08 94.94 94.84 8630 56089 Dec 94.88 94.82 -0.07 94.91 94.81 4757 72330 Traded on AFT, All Open Interest figs. are for previous day. SHORT STIFFLING OFTIONS (LIFFE) \$500,000 points of 100% Shifte CALLS PITS PITS Price Mar Jun Sep Mar Jun Sep 9450 0.18 0.38 0.47 0.04 0.06 0.13
work ago 4's 4's 4's 3C 34 8.625 4.00 Wask ago 3 3's 3's 3's 3's 3's 3.00 Jepan 2's	Open	Open Sett price Change High Low Est. vol. Open Int. Mar 94.67 94.64 -0.04 94.71 84.63 24107 Jun 94.88 94.82 -0.07 94.90 94.81 25679 Sep 94.91 94.84 -0.08 94.94 94.84 6580 56089 Oec 94.88 94.82 -0.07 94.91 94.81 4757 72230 Traded on AFT. All Open Interest figs. are for previous day. SHORT STIFFILING OPTIONS (LIFFE) \$500,000 points of 100% Strike Price Mar Jun Sep Mar Jun Sep
work ago 41 41 41 30 31 50 100 - week ago 31 31 32 32 30 30 - week ago 24 24 2 21 21 10 - **SUBOR FT London** Interbenk Floring 31 31 32 32 - **SUBOR FT London** Interbenk Floring 31 31 32 32 - **SUBOR FT London** Interbenk Floring 31 31 32 32 - **SUBOR FT London** Interbenk Ago 31 31 32 32 - **SUBOR Interbenk Bung 31 31 32 32 - **SUBOR Interbenk Bung rates are effected takes for \$10m quoted to the market by four reference banks at 11am ago, he week ago 31 32 32 32 32 32 32 32 32 32 32 32 32 32	Dec	Open Sett price Change High Low Est, vol Open Int.
work ago 4'n 4'n 4'n 3' 3' 3' 3.00 - week ago 3' 3'n 3'n 3' 3' 3' 3.00 - week ago 2'u	Dec	Open Sett price Change High Low Est, vol Open Int.
work ago 41 41 41 41 32 34 8.625 4.00 - 4 4 5 32 34 8.625 4.00 - 4 4 5 32 34 37 37 3.00 - 4 4 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	Column	Open Sett price Change High Low Est, vol. Open Int. Mar 94.67 94.64 -0.04 94.71 94.63 24107 Jun 94.86 94.62 -0.07 94.90 94.81 25679 Sep 94.91 94.84 -0.08 94.94 94.84 8589 56089 Dec 94.88 94.82 -0.07 94.91 94.81 4757 72330 Traded on AFT, AF Open Interest figs. are for previous day. II SHORTT STERUNG OPTIONS (LIFFE) E500,000 points of 100% Shrike PLTS Price Mar Jun Sep Mar Jun Sep Price Mar Jun Sep 9450 0.18 0.38 0.47 0.04 0.06 0.13 0.05 0.20 0.30 0.16 0.13 0.21 9600 0.01 0.09 0.17 0 0 0.27 Est. vol. total, Calls 8808 PLS 5178. Previous day's open fat., Calls 148126 Puts 134002
work ago 4'n 4'n 4'n 3' 3' 3' 3'0 3'0 3'0 3'0 3'0 3'0 3'0 3'	Common	Open Sett price Change Fligh Low Est, vol. Open Int. Mar 94.67 94.64 -0.04 94.71 94.63 24107 Jun 94.86 94.82 -0.07 94.90 94.81 25679 Sep 94.91 94.84 -0.08 94.94 94.84 8680 56089 Dec 94.88 94.82 -0.07 94.91 94.81 4757 72330 Traded on AFT, All Open Interest figs. are for previous day. SHORT STIERUNG OPTIONS (LIFFE) \$500,000 points of 100% STIESE CALLS PUTS Price Mar Jun Sep Mar Jun Sep P450 0.18 0.38 0.47 0.04 0.06 0.13 0.05 0.20 0.30 0.16 0.13 0.21 9450 0.18 0.38 0.47 0.04 0.06 0.13 0.05 0.20 0.30 0.16 0.13 0.21 9500 0.01 0.09 0.17 0 0 0.27 Est, vol. total, Calls 8809 Puts \$178, Previous day's open izc., Calls 148128 Puts 134409 BASE LENDING RATES Adam & Company 5.5 Alled Trust Barik 5.5 Enter Bank Limited 6.5 a barrilly in plantaneed as a barrilly in plantaneed as a barrilly in plantaneed as a barrilly of colored and control of colored as a barrilly of colored as a
Week ago	Dec	Open Sett price Change Fligh Low Est, vol. Open Int.
Week ago	Common	Open Sett price Change Fligh Low Est, vol. Open Int.
### ### ### ### ### ### ### ### ### ##	Dec	Open Sett price Change Fligh Low Est, vol. Open Int.





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Dow eases on further bout of profit-taking

Wall Street

US stocks were hit by a further round of profit-taking as investors adjusted their positions ahead of tomorrow's employment data, writes Frank McGurty in New York.

By 1 pm, the Dow Jones Industrial Average was 1.69 lower at 3,962.32, while the more broadly based Standard & Poor's 500 climbed 1.24 to 480.86. The secondary markets made some progress, with the American SE composite adding 1.14 at 487.13 and the Nasdaq composite inching 0.82 ahead to 782.06.

Volume on the NYSE was heavy, with 191m shares traded

Santiago featured yet another new high in Chile shares as the IPSA blue chip index rose 4.8 per cent to 127.93. Brokers attributed the rally

to a drop in interest rates on long term treasury bonds.

by 1 pm. Advancing issues led declines by 1,062 to 878. With the US Treasury mar-

ket unmoved by the December tle direction. A positive tone at the opening was soon dissi-pated and the Dow barometer slipped into negative territory. The blue-chip index was

mostly depressed by two stocks. IBM was down \$1 to \$55 after a report that sales of its AS/400 mid-range computer were sagging. Sears, the NYSE's most active issue. slumped \$3 to \$50% when Prudential Securities cut its rating on the stock.

The struggle to take over Paramount Communications provided a focal point for the morning's activity, after Viacom and QVC both sweetened their rival bids for the company moments before Tuesday's deadline. With the winner still uncertain. Viacom's B shares slipped \$\hat{1}\ta \$33\hat{1}\ta QVC gained \$2 to \$46%, as investors

The target company dropped \$2 to \$77% after warning that it expected to post a net loss of 29 to 33 cents a share in the three months to end-January.

The market reacted to earnings news from several other companies. Sprint, the long-distance telephone concern, advanced \$1% to \$37% on its announcement of record revenues and income in the

fourth quarter. USF&G, the property and casualty insurance group, climbed \$1% to \$15% after posting net income of 55 cents a share, well above forecasts.

On the Nasdaq, Amgen dropped \$3% to \$43%, SG Warburg downgraded the stock after the biotechnology company announced a 32 per cent decline in fourth-quarter net income. Concern over the sales depressed the share price in recent sessions.

Çanada

Toronto was mixed at noon as gains in the communication and media sectors were restrained by losses in most

The media sector leapt 331.47 to 9,351.91 on a reports of a possible takeover of Maclean Hunter by Rogers Communications. Maclean Hunter was up C\$214 to C\$16 in volume of 1.3m shares, while Rogers A fell C81% to C\$21%

The TSE 300 composite index was off 3.58 at 4,587.70 in volume of 47.1m shares valued at C\$626.1m.

SOUTH AFRICA

Shares in Johannesburg showed a positive trend on reports that political talks between the various parties contesting the April elections had made some progress.

The mood was also supported by an improvement in the bullion price and the gold shares index rose 64 to 2,021. Industrials gained 120 at 5,679

Paris builds confidence on interest rate scenario

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many, writes Our Markets

Staff.
PARIS liked the scenario so much that it pushed the CAC-40 index forward by 1 per cent, or 24.64 to 2,355.93. Turnover was estimated at a high

Euro Disney went against the rising trend, off FFrl.55 at FFr36.20, as investors reacted to a widening of its net loss in the three months of December. The market was also awaiting the outcome of a meeting by banks exposed to the group's debt on an independent report prepared by auditors.

There was good news elsewhere. Peugeot, encouraged by a rise in January car sales. added FFr6 to FFr867 and Carrefour advanced FFr36 to FFr4,361 as it reported a 5 per cent improvement in 1993 turnover, although this was much in line with expectations.

Paribas, which is expected to release 1993 results today, gained FFr26 to FFr589, while

Hopes of a Bundesbank rate reduction today cut more ice in France than they did in Ger-rearrangement in its cross shareholding with Navigation Mixte the investment concern. with some sources suggesting that it might lower its 29 per cent stake

AMSTERDAM saw strength in most of its main blue chips, and this took the AEX up 1.64

Akzo rose Fl 2.00 to Fl 210.60, upl1 per cent on the year so far. The chemical group has benefited from its merger with Nobel, announced last November; but Flemings, in London maintained that there are more attractive recovery plays in the chemical sector, while Akzo's estimated net gearing of 67 per cent in 1994 and 60 per cent in "will restrain capital spending and any dividend increases for at least two

Fokker stayed busy as the aircraft manufacturer confirmed reports that it had, in the past, been paying Deutsche Aerospace high prices for air frames, but noted that the situ-

Jan 31 Feb 1 1532 83 ation had since improved. The minium suppliers following the

shares shed a further Fl 1.10 to

F121.80, off 8 per cent on the

week so far and 12.8 per cent

FT-SE Actuaries Share Indices

since the year's high on Janu-ZURICH resumed its advance after Tuesday's pause as strong demand took banking stocks to highs for the year and helped the SMI index 20.4 ahead to

UBS, the first of the leading banks to report 1993 results later this month, added SFr24 to SFr1,510 and SBC was SFr10 higher at SFr529.

A SFr10 rise in Alusuisse to SFr640 was attributed to its recent moderate valuation and

FRANKFURT was a market of individual stocks, the rise of just 4.34 to 2.184.01 in the Dax index masking some big changes at corporate level.

agreement to cut global pro-

THE EUROPEAN SERIES

Volkswagen liked the court ruling against the Adam Opel claim that VW had poached GM staff, rising DM3.30 to DM447.80. Mannesmann, the engineering group with telecom prospects, seemed even more pleased that DB Capital Markets (Deutschland) was issuing 1m American-style call warrants on the stock, andclosed DM10 higher at DM421.

DM10.5bn to DM9.4bn. Among smaller companies the software publisher, SAP, soared DM495, or 25 per cent to DM2,450 on a 15 per cent rise in net earnings.
MILAN's Comit index rose

2.55 to a fifth consecutive high of 668.30. Montedison returned to the

spotlight, adding L82 or 7.1 per ent to L1,243 as more analysts in the US and UK came to the view that the group was likely to return to profitability this year - rather earlier than many had originally thought. S G Warburg, which rates the stock as a buy, is holding preentations for analysts in Edinburgh and London today and

tomorrow. Fiat rose L145 or 3 per cent to L5,011, shrugging off a pro-test against layoffs by tens of thousands of workers who packed the central square in Turin, Olivetti added L57 or 2.3 per cent to L2,489 in response to comments on Tuesday by Mr Carlo De Benedetti that he still hoped the computer group

Shares in the newly privanext week in Milan, were quoted around L12,200 on the grey market in London, compared with the L10,900 offer

MADRID gave domestic investment funds the credit for a sharp recovery after Tuesday's correction, the general index rising 5.10, or 1.5 per cent to 356.47 with turnover staying high at Pta48.4bn.

Construction stocks rose 3.3 per cent as utilities took a relative breather; in banks, Ban-esto rose Ptal5 to Pta870 after a high of Pta898.

STOCKHOLM rose on better than expected results from Electrolux and news that Renault had sold part of its stake in Volvo. The Affärsvärlden index added 14.6 to 1602.8 in record turnover of SKr6.1bn Electrolux B rose SKr26 or 7.3 per cent to SKr381 and Volvo B by SKr16 to SKr692.

Written and edited by William

Nikkei turns lower as Kuala Lumpur surges 3.7%

Tokyo

Share prices eased after an 8.8 per cent gain over the previous two days, writes Emiko Terazano in Tokuo.

The Nikkei average ended 166.31 off at 20,250.03 after a day's low of 20,099.41 and a peak of 20,399.24. The Topix index of all first section stocks relinquished 15.44 to 1.627.66.

Investors adjusted their positions ahead of the government's economic stimulus package due to be announced today. The Nikkei rose in the afternoon on arhitrage linked buying, but large-lot profit-taking by corporate and financial institutions ahead of the March book closing eroded the gains, as well as selling by dealers and short term traders.

The rise in the yen against the dollar also hurt export oriented high-technology stocks. A surge of buying by foreign investors had pushed up the

fears of increased US pressure over bilateral trade talks also triggered buying by currency traders. However, later in London, Japanese stocks rallied on a recovery in the dollar and the ISE/Nikkei 50 index put on

18.97 at 1,356.34 Volume totalled 670m shares, against 950m. Declines outpaced advances by 664 to 391, with 140 issues unchanged. Foreign investors were buy-

ers in a busy automotive sector. Fuji Heavy Industries, the most active stock of the day, moved ahead Y14 to Y393 and Nissan Motor advanced Y21 to Y841. Suzuki Motor, however. retreated Y110 to Y1.340 on profit-taking; and Honda, which owns 20 per cent of Rover, fell Y80 to Y1,620, with investors discouraged by BMW's acquisition of the UK carmaker.

The rise in the yen depressed Matsushita Electric Industrial by Y40 to Y1,690 and Sony Y230 Y6,170. Canon, the precision yen over a period of days, and maker, slipped Y40 to Y1,580

and Citizen Watch declined Y15 to Y730.

trage selling. Industrial Bank of Japan dipped Y30 to Y3,310 and Dai-Ichi Kangyo Bank eased Y20 to Y1,990. Higher gold prices supported Sumitomo Metal Mining, which added Y11 at Y911 Spec-

ulative issues were also bought, Sanrio climbing Y160 to Y1,770 and Hanwa, the steel trader, jumping Y62 to Y715. In Osaka, the OSE average fell 163.71 to 21,957.94 in volume of 96.7m shares. Turnover rose on active trading by investors realising profits on long term holdings in hank shares.

Roundup

Some sharply higher market indices were seen around the

KUALA LUMPUR reflected strong institutional buying of blue chip stocks as the composite index forged ahead 41.05.

Ekran, which has been awarded the huge Bakun hydro-electric power project, surged M\$8.40, or 44 per cent, to M\$27.50.

SEOUL climbed to a 52month high, helped by massive liquidity on the back of increasing customer deposits and in spite of Won170bn of sales by the stabilisation fund. The composite stock index advanced 14.16, or 1.5 per cept, to 974.26.

Customer deposits at brokerage houses were estimated to have hit a record Won4,200bn on Tuesday. Fears of moves by the government to cool the market brought profit-taking in some blue chips, but the sales were immediately digested by aggressive buyers. AUSTRALIA saw strong

overseas buying, particularly from Asia, push the market to another record close after overcoming some early weakness. The All Ordinaries index ended 2.0 higher at 2,312.1, having slipped to 2,285.0 in early trade. strengthened 70.65. or 2.5

BOMBAY rose 2.3 per cent, as domestic mutual funds returned as heavy speculative buyers after nearly a week's absence. The BSE 30-share index finished 88.78 up at 4,036.64, having opened lower on mild selling prompted by a government move on Tuesday to raise petrol and diesel

TAIWAN was helped ahead by a strong gain in Formosa group shares, which were supported by unconfirmed local newspaper reports that the group would expand the size of its planned petrochemical complex. Formosa climbed T\$2.50

The weighted index was finally 82.30, or L3 per cent, ahead at 6,359.21 in heavy turnover of T\$96.6bn, against Tues-

day's T\$101bn. MANUA moved forward in a technical rally, in spite of worries sparked by Tuesday's bombings at three oil companies. The Manila index

HONG KONG saw a flurry of late selling linked to the futures market which erased early gains and dragged stocks

The Hang Seng index fin-ished a net 41.06 down at 11,785.83, having hit an early high of 11,970.

slightly lower.

NEW ZEALAND paused after six consecutive days of gains and the NZSE-40 capital index feli 4.94 to 2.418.88.

SINGAPORE was mixed in spite of a buoyant Malaysian market, and the Straits Times Industrial index shed 11.0 to

2.338.08.

BANGKOK picked up from a sharp early fall which saw the SET index almost 30 points lower and ended just 2.14 off at 1,453.44 amid renewed demand for finance stocks.

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KARACHI finished lower after adverse political news, little institutional support and only cautious buying by foreign funds. The KSE 100-share

The dark side of emerging markets

By John Pitt
he first month of the new year has seen the
In the world's emerging mar-
kets, a salutary reminder that these markets remain

Turkey dived nearly 35 per cent in dollar terms over the week after the currency crisis that saw the lira devalued by 12 per cent, and ultimately led to the resignation of the central bank governor. Poland's bubble was pricked

it remains to be seen over

the next few trading sessions whether or not it has finally

burst - although this has yet to show up in the IFC data printed on this page. In Latin America, Brazil lost 10 per cent in dollar terms: however, the story here remains uncertain until a deci-

sion one way or the other on the fiscal package. Pakistan took a knock, but commentators say this was due mainly to profit-taking. particularly in the cement, chemical and pharmaceutical sectors. It is worth noting that India benefited from Pakistan's loss, as foreign investors

The performance of these

	emerging	MARKETS:	IFC WEE	KLY INVES	TABLE PRIC	E INDICES	3
			Dollar terms	3	L	ocal currency	terms
Market	No. of stocks	Jan 28 1994	% Change over week	% Change on Dec '93	Jan 28 1994	% Change over week	% Change on Dec '8
Latin Americ	2						
Argentina	(25)	1,054,64	+4.3	+6.1	647,154.25	+4,4	+6.1
Brazil	(57)	295.26	-10.1	+26.9	180,825,375,1	-2.2	+77.5
Chile	(25)	631.09	+0.5	+14.4	1,087,48	+0.3	+14.1
Colombia ¹	(11)	765.94	+3.3	+18.8	1,109,51	+3.7	+19.7
Mexico	70	1,063,83	+21	+6.3	1,425,14	+2.1	+6.2
Peru ²	(11)	138.87	+7.1	+14.8	185.12	+6.1	+16.4
Venezuelo ³	äii	610.30	+2.8	+3.1	1,494,18	+2.8	+5.1
East Asia	****						
China*	(18)	131.88	-0.9	-11.7	144.91	-0.9	-11.7
South Korea*	(156)	126.65	+8.2	+7.2	134.57	+7.9	+7.2
Philippines	(18)	291.13	-9.3	-14.5	384,68	-9.3	-13.4
Talwan, Chin		133.08	+1.0	-1.6	132.30	+1.4	-1.1
South Asia							
India"	(77)	141.00	+7.8	+21.1	155.93	+7.8	+21.1
Indonesia	เรา	127.10	+0.8	+1.9	146.08	+1.1	+2.6
Malaysia	(105)	274.57	+0.5	-19.0	280.07	+1.4	-16.9
Pakistan*	(15)	375.95	-9.2	-3.1	513.73	-9 .2	-2.7
Sri Lanka®	(5)	203.98	+0.3	+15.1	219.23	-0.1	+14.6
Thailand	(55)	426.15	+7.5	-10.8	432.16	+7.4	-10.6
Euro/Mid Ea	st						
Grecce	(25)	265.51	-5.4	+16.6	450,34	-5.8	+17.1
Hungary*	(5)	252.22	+14.8	+51.3	308.42	+15.8	+52.8
Jordan	(13)	171.19	+0.9	+3.4	249.34	+1.0	+4.1
Poland≅	(12)	1,184.79	+18,5	+44.9	1,629.39	+18.9	+47.6
Portugal	(25)	128.25	+3.0	+12.7	154.60	+2.3	+11.9
Turkey	(40)	168.92	-34.8	-20.5	1,366.15	-25.4	-6.1
Zimbabwe ^µ	(5)	197.05	+0.7	-2.5	245.31	+0.3	+14.6

markets in recent days tends to support the view that

they have seen a much needed correction in overbought conditions, as opposed - with the exception, perhaps, of

Poland - to a freefall. Turkey remains unsettled, down 7 per cent yesterday. although foreign investors have come in as bargain hunters; the market's fall was pro-

Brazil. meanwhile, has soared by almost 20 per cent in local currency terms this week. Investors could be in for

another rollercoaster ride.

LATIONAL AND						Lai										
ECIONAL MARKETS	***	-		DAY FER	NUARY 1						JANUARY	31 1994			LAN IN)EX
rgures in parenthyses	US	Day's	Pound			Local	Local	Gross	US	Pound			Local			Year
how number of lines	Dollar	Change	Sterling	Yen	DM	Currency		Dec.	Doffar.	Starting	Yen				1993/94	ago
f stock	Index	*b	Index	mdex	Indox	Index	on day	Yield	Index	inclex	Index	Index	Index	High	Low	(approx
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ustra (17)	195.41	15	192.23	132.98	175.45	175.10	0.4	0.91	192.53	190.44	132.66	174.60	174.35	195.41	139.23	139.6
eigrum (42)	169.08	0.6	166.33	115.04	151.81	148.58	-0.1	3.87	168.07	166.24	115 80	152.42	146.66	189.08	138.95	
anada (107)		0.6	140.35	97.49	128 65	138.14	10	2.43	142,47	140.92	98.17	128.20	136.63	145.31	113.98	113.9
enrank [32]		2.0	270.91	187.38	247.26	251.25	1.1	0.90	269.93	267.00	185.99	244.79	248.57	275.39	195.66	
etland (22)		2.8	152 33	105.36	139 03	178.50	1.8	0.57	150.59	148.99	103.78	136.56	175.35	154.85	65.50	67.6
rance (90)		0.8	181.37	125.45	165.54	169.65	-0.1	274	182.95	180.96	126.08	165.91	169.88	184.37	142.90	
emany (59)		1.3	134.20	92 82	122,48	122.48	0.2	1.73	134.73	133.27	92.83	122,18	122.18	142.38	105.56	
ong Kang (56)		27	474.82	328.41	433.37	478.58	2.7	2.22	469.84	464.75	323.74	428.10	465 89	506.58	225.77	227.
stand (14)		1.6	205.93	142.43	187.95	203.92	1.0	2.73	208.06	203.83	141.99	186.88	201.83	209.33	129.29	138.0
aty (68)		0.1	74.31	51.39	67.62	95 00	0.8	1.73	75.46	74.64	51.99	68.43	95.73	78.93	55.21	E9.6
poan (469)		2.0	150.73	104.25	137.57	104.25	0.7	0.78	150.27	148.64	103.54	138.28	103.54	165.21	104.55	104.5
daysa (89)		-0.2	480.29	336.35	443.84	527.46	0.0	1.38	495 38	489.99	341.32	448.23	527.48	621.63	259.61	259.0
lauco (18)		1.6	2525.45	1746 75	2304.98	8715.30	16	0.58	2526.07	2498.64		2290.79	8575.60	2567.22	1410.30	
etherland (20)	.207 43	0.2	204.06	141.14	156.25	183 18	-0.8	2.86	208.92	204.68	142.58					
ew Zealand (14)		1.9	75.89	52.49	69.26	71.57	1.2	3.27	75.66	74.84	52.13	187.66 68.62	184,54	207.43	153.15	
onway (23)		0.7	199.65	138.09	182.22	204.61	-0.1	1.24	201.47	199.29			70.74	77.14	41.66	41.6
ingapore 451		1.6	352.71	243 95	321.92	261.80		1.58			138.82	182.71	204.86	202.95	138.48	140.2
outh Africa (60)	361 74	0.6	247 66	171 30	226.04	242.94	1.7		352.87	349.05	243,14	320.01	259.08	378.92	213.57	220.5
		-16						2.35	250.34	247.62	172.48	227.02	241.98	280.26	159.33	159.3
pain (42)			150.78	104.29	137.62	162.39	-2.3	3.63	155.79	154.10	107,34	141.28	166.15	155.79	116,33	124.
weden (36)		-0.6	224.28	155.12	204.70	265.59	-1.2	1.31	229.27	228.79	157.98	207.92	268.96	229.27	149,60	1527
	175.44	0.5	172 58	119.37	157.52	157 22	-1.0	1.39	174.63	172.73	120.33	158.37	158.77	175.44	109,14	111,1
rulod Kingdom (215)		04	210.92	145.89	192.51	210.92	-0.2	3.41	213.59	211.27	147.17	193,70	211.27	214.41	182.00	187.0
SA (518)	195.03	-0.4	181,32	732.74	175.16	195.09	-0.4	2.69	195.84	193.72	134.94	177.60	195.84	195.84	176.29	180.9
JROPE (744)	.178.24	0.5	175.34	121.28	160.03	170 70	-0.3	2.66	177.37	175.45	122.22	160.35	171.25	178.24	134.16	134.8
ordic (173)	219 83	0.6	216,25	149.57	197.37	224,32	-02	1.11	218.54	216.17	150.58	198.19	224.81	219.83	142.13	144.2
cific Basin (722)	.165.73	1.9	163.04	112.77	148.60	117.01	0.0	1.04	162.64	160.88	112,07	147.50	116.09	168.80	109.26	
uro-Pacific (1466)		1.3	168.00	116.20	153.33	137 88	0.3	1.74	188.52	166.79	116.18	152.91	137.46	170.78	119.43	118.
orth America (625)		-0.3	168.74	130 65	172 27	191.15	-0.3	2.67	192.50	190.43	132.65	174.59	191.77	192.52	172.67	
uropa Es. UK (509)		0.6	152.98	105.81	139 62	147.01	-0.4	2.17	154.85	152.97	106.56	140.24	147.63			176.6
acilic Ex. Jupan (253)		1.6	281.26	194.54	296.71	262.94	1.3	2.28	281.43	278.38	193.92			155.51	115.10	115,
ond Ex. US (1651)		1.3	169.70	117.37	151 88	141.15	0.3	1.75	170.36	168.51	193.92	255.22	259.52	295.21	155.37	155.
orld Ea. UK (1954)		0.7	172.73	119.47	157.65	153.03	0.3	1,73	174.38	172.49		154.50	140.66	172.51	120.83	120.7
orld Et. So. At (2109)		0.7	175.66	121.49	160.32	197 35	0.1	2.09			120.16	158.14	152.88	175.58	137.62	137.
oric Ex. Japan (1700)		0.1	161.29	132.31	174.59	189.85	-0.2	2.80	177.39 194.15	175.47 192.05	122.23	160.87	157.23	178.56	139.88	140.0
									184.15	192.65	133.78	179.07	190.15	194.45	159.44	180.
w World Index (2169)	178.97	0.7	176.06	121.77	160.69	158.06	0.1	2.09	177.80	175.87	122.51	161.24	157.83	178.97	140.04	140.0

New Issue Closing February 2, 1994

All these Notes beving been sold, this advertis appears as a matter of record only.



Anstalt des öffentlichen Rechts

DM 100,000,000

5 1/8 % / Six-Months-DM-Libor / 7 % Bonds of 1994/2004

Issue Price:

Interest Rates:

Listing:

5 1/4 % p.a. for the period from February 2, 1994 to February 1, 1996 payable annually in arrears on February 2 of the years 1995 and 1996.

Six-Months-DM-Libor for the period from February 2, 1996 to February 1, 2000, payable

semi-annually in arrears on February 2 and August 2.

7 % p.a. for the period from February 2, 2000 to February 1, 2004, payable annually in arrears on February 2 of the years 2001 through 2004.

February 2, 2004 at par Repayment: Düsseldorf and Frankfurt am Main

Bank Brussel Lambert N.V.

Trinkaus & Burkhardt Kommanditgesellschaft auf Aktien

> Bayerische Hypothekenund Wechsel-Bank

Hamburgische Landesbank

Aktiengesellschaft

- Girozentrale -

Deutsche Apothekerund Ärztebank eG

Raiffeisenbank

Kleinwalsertal

Aktiengesellschaft

ABN AMRO Bank

(Deutschland) AG

(Deutschland) AG

Schweizerischer Bankverein

GZB-Bank Genossenschaftliche Zentralbank AG Stuttgart

SGZ-Bank

WGZ-Bank